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

FORM 10-Q

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

For the quarterly period ended June 30, 2026

Commission File Number 1-11758

Morgan Stanley

(Exact name of Registrant as specified in its charter)

Delaware	**1585 Broadway** **New York, NY 10036**	**36-3145972**	**(212) 761-4000**
(State or other jurisdiction of incorporation or organization)	(Address of principal executive offices, including Zip Code)	(I.R.S. Employer Identification No.)	(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of exchange on which registered
Common Stock, $0.01 par value	MS	New York Stock Exchange
Depositary Shares, each representing 1/1,000th interest in a share of Floating Rate Non-Cumulative Preferred Stock, Series A, $0.01 par value	MS/PA	New York Stock Exchange
Depositary Shares, each representing 1/1,000th interest in a share of Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series E, $0.01 par value	MS/PE	New York Stock Exchange
Depositary Shares, each representing 1/1,000th interest in a share of Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series F, $0.01 par value	MS/PF	New York Stock Exchange
Depositary Shares, each representing 1/1,000th interest in a share of Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series I, $0.01 par value	MS/PI	New York Stock Exchange
Depositary Shares, each representing 1/1,000th interest in a share of Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series K, $0.01 par value	MS/PK	New York Stock Exchange
Depositary Shares, each representing 1/1,000th interest in a share of 4.875% Non-Cumulative Preferred Stock, Series L, $0.01 par value	MS/PL	New York Stock Exchange
Depositary Shares, each representing 1/1,000th interest in a share of 4.250% Non-Cumulative Preferred Stock, Series O, $0.01 par value	MS/PO	New York Stock Exchange
Depositary Shares, each representing 1/1,000th interest in a share of 6.500% Non-Cumulative Preferred Stock, Series P, $0.01 par value	MS/PP	New York Stock Exchange
Depositary Shares, each representing 1/1,000th interest in a share of 6.625% Non-Cumulative Preferred Stock, Series Q, $0.01 par value	MS/PQ	New York Stock Exchange
Global Medium-Term Notes, Series A, Floating Rate Notes Due 2029 of Morgan Stanley Finance LLC (and Registrant's guarantee with respect thereto)	MS/29	New York Stock Exchange

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

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

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

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

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

As of July 31, 2026, there were 1,570,566,292 shares of the Registrant's Common Stock, par value $0.01 per share, outstanding.

QUARTERLY REPORT ON FORM 10-Q

For the quarter ended June 30, 2026

Available Information

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission ("SEC"). The SEC maintains a website, *www.sec.gov*, that contains annual, quarterly and current reports, proxy and information statements, and other information that issuers file electronically with the SEC. Our electronic SEC filings are available to the public at the SEC's website.

Our website is *www.morganstanley.com*. You can access our Investor Relations webpage at *www.morganstanley.com/about-us-ir*. We make available free of charge, on or through our Investor Relations webpage, our proxy statements, annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to those reports filed or furnished pursuant to the Securities Exchange Act of 1934, as amended ("Exchange Act"), as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. We also make available, through our Investor Relations webpage, via a link to the SEC's website, statements of beneficial ownership of our equity securities filed by our directors, officers, 10% or greater shareholders and others under Section 16 of the Exchange Act.

You can access information about our corporate governance at *www.morganstanley.com/about-us-governance.* Our webpages include:

- Amended and Restated Certificate of Incorporation;
- Amended and Restated Bylaws;
- Charters for our Audit Committee, Compensation, Management Development and Succession Committee, Governance and Sustainability Committee, Operations and Technology Committee, and Risk Committee;
- Corporate Governance Policies;
- Policy Regarding Corporate Political Activities;
- Policy Regarding Shareholder Rights Plan;
- Equity Ownership Commitment;
- Code of Ethics and Business Conduct;
- Code of Conduct; and
- Integrity Hotline Information.

Our Code of Ethics and Business Conduct applies to all directors, officers and employees, including our Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer and Controller. We will post any amendments to the Code of Ethics and Business Conduct and any waivers that are required to be disclosed by the rules of either the SEC or the New York Stock Exchange LLC on our website. You can request a copy of these documents, excluding exhibits, at no cost, by contacting Investor Relations, 1585 Broadway, New York, NY 10036 (212-761-4000). The information on our website is not incorporated by reference into this report.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Introduction

Morgan Stanley is a global financial services firm that maintains significant market positions in each of its business segments—Institutional Securities, Wealth Management and Investment Management. Morgan Stanley, 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. We operate as an Integrated Firm whereby we serve clients holistically across our business segments. Unless the context otherwise requires, the terms "Morgan Stanley," "Firm," "us," "we" or "our" mean Morgan Stanley (the "Parent Company") together with its consolidated subsidiaries. See the "Glossary of Common Terms and Acronyms" for the definition of certain terms and acronyms used throughout this Form 10-Q.

A description of the clients and principal products and services of each of our business segments is below. Through the Integrated Firm some of our clients may use the products and services of more than one of our business segments.

Institutional Securities provides a variety of products and services to corporations, governments, financial institutions and ultra-high net worth clients. Investment Banking services consist of capital raising and financial advisory services, including the underwriting of debt, equity securities and other products, as well as advice on mergers and acquisitions, restructurings and project finance. Our Markets business, which comprises Equity and Fixed Income, provides sales, financing, prime brokerage, market-making, and Asia wealth management services and holds certain business-related investments. Lending activities include originating corporate loans and commercial real estate loans, providing secured lending facilities, and extending securities-based and other financing to clients. Other activities include research.

Wealth Management provides a comprehensive array of financial services and solutions to individual investors, including high and ultra-high net worth individuals, and businesses and institutions. Wealth Management supports clients through three channels: Advisor-Led, Self-Directed and Workplace. Wealth Management includes: financial advisor-led brokerage, investment advisory, custody, cash management, and administrative services; self-directed brokerage services; financial and wealth planning services; workplace services, including stock plan administration; securities-based lending, residential and commercial real estate loans and other lending products; banking; and retirement plan services.

Investment Management provides a broad range of investment strategies and products that span geographies, asset classes, and public and private markets to a diverse group of clients across institutional and intermediary channels. Strategies and products, which are offered through a variety of investment vehicles, include equity, fixed income, alternatives and solutions, and liquidity and overlay services. Institutional clients include defined benefit/defined contribution plans, foundations, endowments, government entities, sovereign wealth funds, insurance companies, third-party fund sponsors and corporations. Individual clients are generally served through intermediaries, including affiliated and non-affiliated distributors.

Management's Discussion and Analysis includes certain metrics that we believe to be useful to us, investors, analysts and other stakeholders by providing further transparency about, or an additional means of assessing, our financial condition and operating results. Such metrics, when used, are defined and may be different from or inconsistent with metrics used by other companies.

The results of operations in the past have been, and in the future may continue to be, materially affected by: competition; legislative, legal and regulatory developments; market and economic conditions; and other risk factors. These factors also may have an adverse impact on our ability to achieve our strategic objectives. Additionally, the discussion of our results of operations herein may contain forward-looking statements. These statements, which reflect management's beliefs and expectations, are subject to risks and uncertainties that may cause actual results to differ materially. For a discussion of the risks and uncertainties that may affect our future results, see "Forward-Looking Statements", "Business—Competition", "Business—Supervision and Regulation" and "Risk Factors" in the 2025 Form 10-K and "Liquidity and Capital Resources—Regulatory Requirements" herein.

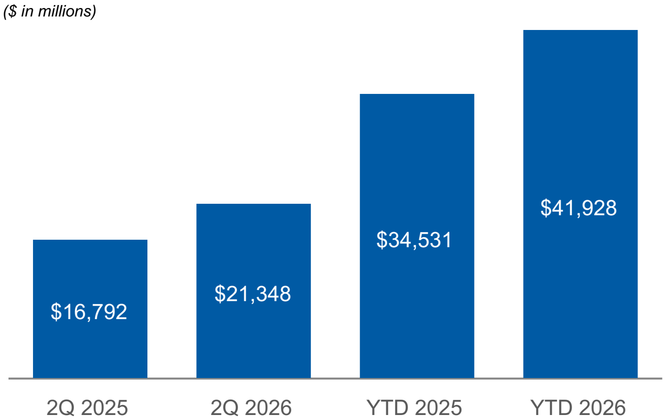
Executive Summary

Overview of Financial Results

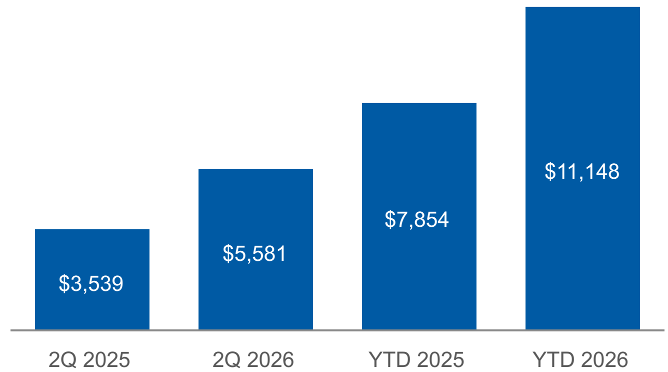
Consolidated Results—Three Months Ended June 30, 2026

- The Firm reported net revenues and pre-tax income of $21.3 billion and $7.3 billion, respectively.
- The Firm delivered ROE of 20.7% and ROTCE of 26.6% (see "Selected Non-GAAP Financial Information" herein).
- The expense efficiency ratio was 65% for both the second quarter and year-to-date, demonstrating operating leverage while we continued to invest in our businesses.
- At June 30, 2026, the Firm's Standardized Common Equity Tier 1 capital ratio was 14.9%.
- Institutional Securities reported net revenues of $11.0 billion, primarily reflecting strong results in Equity and higher Investment Banking revenues.
- Wealth Management delivered net revenues of $8.9 billion, reflecting strong Asset management revenues, increased Net interest income and higher client activity, generating a pre-tax margin of 30.5%. The business added net new assets of $148 billion and fee-based assets of $39 billion.
- Investment Management reported net revenues of $1.6 billion, primarily driven by asset management fees on higher average AUM. The quarter included positive long-term net flows of $7.5 billion.

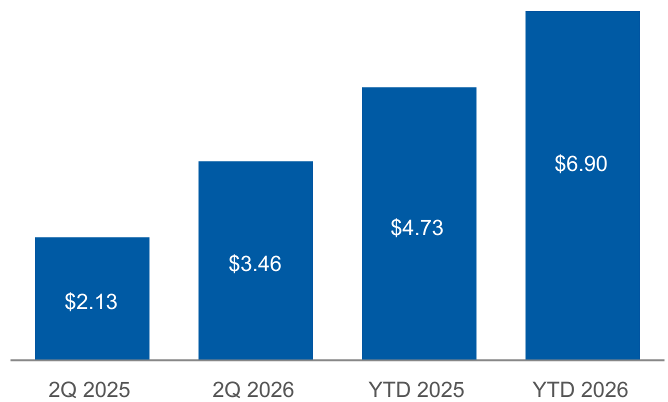
Net Revenues
($ in millions)



Net Income Applicable to Morgan Stanley
($ in millions)



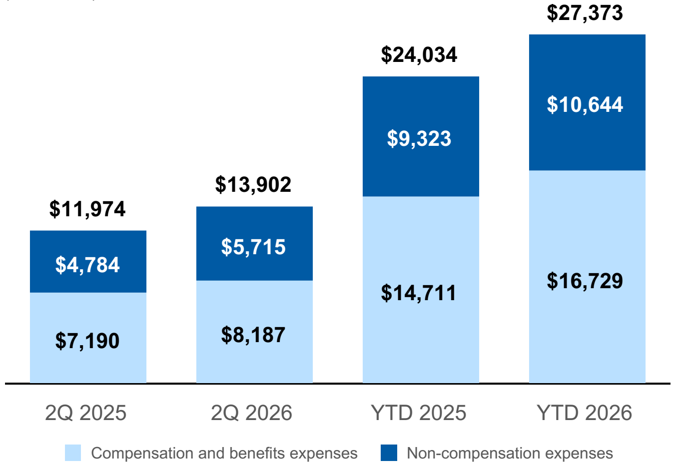
Earnings per Diluted Common Share



We reported net revenues of $21.3 billion in the quarter ended June 30, 2026 ("current quarter," or "2Q 2026"), which increased by 27% compared with $16.8 billion in the quarter ended June 30, 2025 ("prior year quarter," or "2Q 2025"). Net income applicable to Morgan Stanley was $5.6 billion in the current quarter, which increased by 58% compared with $3.5 billion in the prior year quarter. Diluted earnings per common share was $3.46 in the current quarter, which increased by 62% compared with $2.13 in the prior year quarter.

We reported net revenues of $41.9 billion in the six months ended June 30, 2026 ("current year period," or "YTD 2026"), which increased by 21% compared with $34.5 billion in the six months ended June 30, 2025 ("prior year period," or "YTD 2025"). Net income applicable to Morgan Stanley was $11.1 billion in the current year period, which increased by 42% compared with $7.9 billion in the prior year period. Diluted earnings per common share was $6.90 in the current year period, which increased by 46% compared with $4.73 in the prior year period.

Non-Interest Expenses
($ in millions)



- Compensation and benefits expenses of $8,187 million in the current quarter and $16,729 million in the current year period increased 14% compared with the prior year periods, primarily due to an increase in the formulaic payout to Wealth Management advisors and higher discretionary incentive compensation within Institutional Securities, both based on higher revenues.

  During the current year period, as a result of a March workforce management action, we recognized severance costs of $178 million in Compensation and benefits expense. For more information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Executive Summary" in the Form 10-Q for the quarter ended March 31, 2026.

- Non-compensation expenses of $5,715 million in the current quarter and $10,644 million in the current year period increased 19% and 14%, respectively, compared with the prior year periods, primarily due to higher execution-related expenses and increased technology spend.

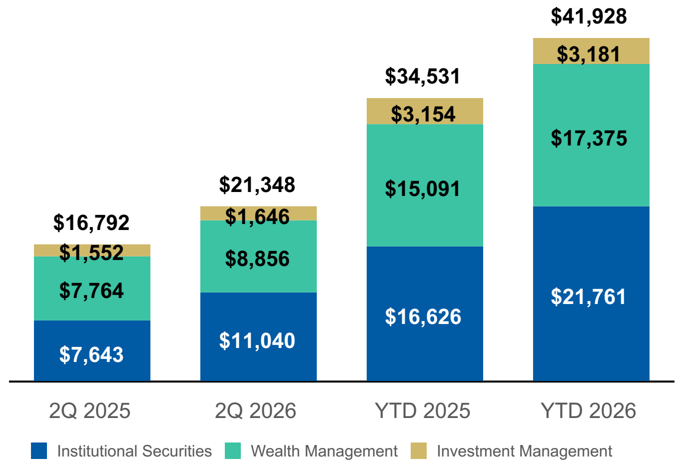
Provision for Credit Losses

The Provision for credit losses on loans and lending commitments of $98 million in the current quarter and $196 million in the current year period was primarily related to certain specific commercial real estate and corporate loans and portfolio growth in corporate loans and secured lending facilities. The Provision for credit losses on loans and lending commitments of $196 million in the prior year quarter and $331 million in the prior year period was primarily related to portfolio growth in corporate loans and secured lending facilities and a macroeconomic outlook reflecting slower GDP growth.

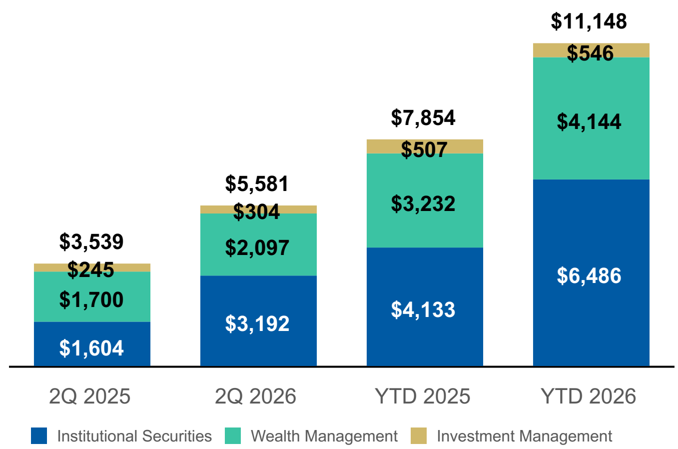
For further information on the Provision for credit losses, see "Credit Risk" herein.

Business Segment Results

Net Revenues by Segment[1]
($ in millions)



Net Income Applicable to Morgan Stanley by Segment[1]
($ in millions)



1. The amounts in the charts represent the contribution of each business segment to the total of the applicable financial category and may not sum to the total presented on top of the bars due to intersegment eliminations. See Note 19 to the financial statements for details of intersegment eliminations.

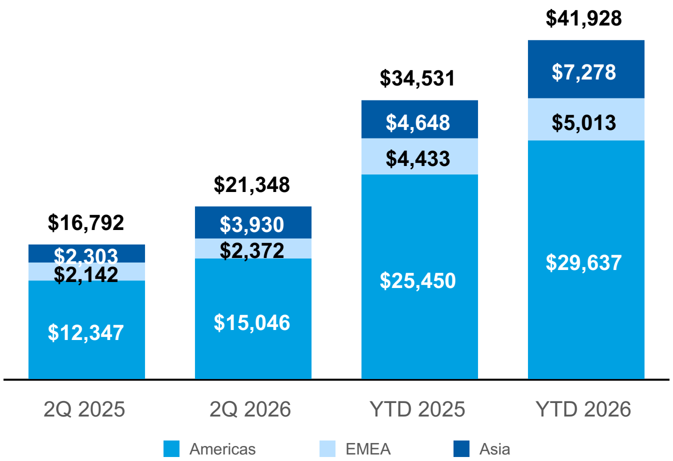
- Institutional Securities net revenues of $11,040 million in the current quarter and $21,761 million in the current year period increased 44% and 31%, respectively, compared with the prior year periods, primarily reflecting higher results in Equity on increased client activity and higher Investment Banking results.

- Wealth Management net revenues of $8,856 million in the current quarter and $17,375 million in the current year period increased 14% and 15%, respectively, compared with the prior year periods, primarily reflecting higher Asset management revenues on higher market levels and the cumulative impact of positive fee-based flows, increased Net interest income and higher client activity.

- Investment Management net revenues of $1,646 million in the current quarter and $3,181 million in the current year period increased 6% and 1%, respectively, compared with the prior year periods, reflecting higher Asset management and related fees driven by higher average AUM on higher market levels. The increase in net revenues in the current year period was partially offset by lower Performance-based income and other revenues.

Net Revenues by Region[1]

($ in millions)



1. For a discussion of how the geographic breakdown of net revenues is determined, see Note 22 to the financial statements in the 2025 Form 10-K.

- Americas net revenues increased 22% and 16% in the current quarter and in the current year period, respectively, compared with the prior year periods, primarily driven by higher Asset management revenues within the Wealth Management business segment and higher Investment Banking and Equity results within the Institutional Securities business segment.

- EMEA net revenues increased 11% and 13% in the current quarter and in the current year period, respectively, compared with the prior year periods, primarily driven by higher results in our Markets business within the Institutional Securities segment.

- Asia net revenues increased 71% and 57% in the current quarter and in the current year period, respectively, compared with the prior year periods, primarily driven by strong results in Equity within the Institutional Securities business segment.

Selected Financial Information and Other Statistical Data

	Three Months Ended June 30,		Six Months Ended June 30,	
$ in millions, except per share data	**2026**	2025	**2026**	2025
Consolidated results				
Net revenues	**$21,348**	$16,792	**$41,928**	$34,531
Earnings applicable to Morgan Stanley common shareholders	**$ 5,436**	$ 3,392	**$10,847**	$ 7,549
Earnings per diluted common share	**$ 3.46**	$ 2.13	**$ 6.90**	$ 4.73
Consolidated financial measures				
Expense efficiency ratio[1]	**65 %**	71 %	**65 %**	70 %
ROE[2]	**20.7 %**	13.9 %	**20.9 %**	15.7 %
ROTCE[2, 3]	**26.6 %**	18.2 %	**26.8 %**	20.6 %
Pre-tax margin[4]	**34 %**	28 %	**34 %**	29 %
Effective tax rate	**23.1 %**	22.7 %	**21.4 %**	21.8 %
Pre-tax margin by segment[4]				
Institutional Securities	**39 %**	28 %	**39 %**	32 %
Wealth Management	**30 %**	28 %	**30 %**	28 %
Investment Management	**25 %**	21 %	**22 %**	20 %

$ in millions, except per share data, worldwide employees and client assets	**At June 30, 2026**	At December 31, 2025
Average liquidity resources for three months ended[5]	**$ 404,077**	$ 385,884
Loans[6]	**$ 315,653**	$ 289,038
Total assets	**$ 1,675,057**	$ 1,420,270
Deposits	**$ 446,068**	$ 415,523
Borrowings	**$ 392,556**	$ 348,935
Common equity	**$ 106,579**	$ 101,882
Tangible common equity[3]	**$ 83,602**	$ 79,147
Common shares outstanding	**1,572**	1,583
Book value per common share[7]	**$ 67.80**	$ 64.37
Tangible book value per common share[3, 7]	**$ 53.18**	$ 50.00
Worldwide employees (in thousands)	**83**	83
Client assets[8] (in billions)	**$ 10,088**	$ 9,276
Capital Ratios[9]		
Common Equity Tier 1 capital—Standardized	**14.9 %**	15.0 %
Tier 1 capital—Standardized	**16.5 %**	16.8 %
Common Equity Tier 1 capital—Advanced	**16.2 %**	16.2 %
Tier 1 capital—Advanced	**18.0 %**	18.0 %
Tier 1 leverage	**6.0 %**	6.7 %
SLR	**4.9 %**	5.4 %

1. The expense efficiency ratio represents total non-interest expenses as a percentage of net revenues.
2. ROE and ROTCE represent annualized earnings applicable to Morgan Stanley common shareholders as a percentage of average common equity and average tangible common equity, respectively.
3. Represents a non-GAAP financial measure. See "Selected Non-GAAP Financial Information" herein.
4. Pre-tax margin represents income before provision for income taxes as a percentage of net revenues.
5. For a discussion of Liquidity resources, see "Liquidity and Capital Resources—Balance Sheet—Liquidity Risk Management Framework—Liquidity Resources" herein.
6. Includes loans held for investment, net of ACL, loans held for sale and also includes loans at fair value, which are included in Trading assets in the balance sheet.
7. Book value per common share and tangible book value per common share equal common equity and tangible common equity, respectively, divided by common shares outstanding.
8. Client assets represents the sum of Wealth Management client assets and Investment Management AUM. Certain Wealth Management client assets, totaling $382 billion and $350 billion as of June 30, 2026 and December 31, 2025, respectively, are invested in Investment Management products and are therefore also included in Investment Management's AUM.
9. For a discussion of our capital ratios, see "Liquidity and Capital Resources—Regulatory Requirements" herein.

Economic and Market Conditions

The economic environment exhibited strength in the second quarter of 2026, characterized by active capital markets supported by the adoption of AI and improved investor sentiment. Geopolitical risk, inflation, rising asset prices, the rate of economic growth and the future path of monetary policy represent ongoing uncertainties which could continue to impact the capital markets and our businesses.

We continue to monitor the developments in the Middle East and their impact on the regional economy, global economic conditions, and financial markets. Our direct exposure to the region remains limited.

For more information on economic and market conditions, and the potential effects of geopolitical events on our future results, refer to "Risk Factors" and "Forward-Looking Statements" in the 2025 Form 10-K.

Selected Non-GAAP Financial Information

We prepare our financial statements using U.S. GAAP. From time to time, we may disclose certain "non-GAAP financial measures" in this document or in the course of our earnings releases, earnings and other conference calls, financial presentations, definitive proxy statements and other public disclosures. A "non-GAAP financial measure" excludes, or includes, amounts from the most directly comparable measure calculated and presented in accordance with U.S. GAAP. We consider the non-GAAP financial measures we disclose to be useful to us, investors, analysts and other stakeholders by providing further transparency about, or an alternate means of assessing or comparing our financial condition, operating results and capital adequacy.

These measures are not in accordance with, or a substitute for, U.S. GAAP and may be different from or inconsistent with non-GAAP financial measures used by other companies. Whenever we refer to a non-GAAP financial measure, we will also generally define it or present the most directly comparable financial measure calculated and presented in accordance with U.S. GAAP, along with a reconciliation of the differences between the U.S. GAAP financial measure and the non-GAAP financial measure.

For the prior year periods, we present certain non-GAAP financial measures that exclude the impact of mark-to-market gains and losses on DCP investments from net revenues and compensation expenses. The impact of DCP is primarily reflected in our Wealth Management business segment results. These measures allow for better comparability of period-to-period underlying operating performance and revenue trends, especially in our Wealth Management business segment. By excluding the impact of these items, we are better able to describe the business drivers and resulting impact to net revenues and corresponding change to the associated compensation expenses for the prior year period.

Beginning in the first quarter of 2026, derivatives were designated as cash flow hedges of the equity price risk associated with the majority of unvested DCP awards within our Wealth Management business segment. Changes in fair value of these cash flow hedging derivatives are recorded in OCI and subsequently reclassified into compensation expense in the same period that the related DCP award vests and is recognized in compensation expense.

Additionally, in the first quarter of 2026, we commenced the use of derivatives as economic hedges of the equity price risk primarily associated with the vested DCP awards within our Wealth Management business segment. The Firm presents changes in the fair value of these economic derivative hedges in compensation expense.

Previously, the Firm economically hedged DCP awards primarily with cash instrument hedges whereby changes in the fair value of such hedges, net of financing costs, were recorded in net revenues.

The use of derivatives as cash flow hedges of certain DCP awards is expected to substantially mitigate timing differences between the recognition of changes in the fair value of the hedging instruments and the deferred recognition of related DCP compensation expense over the vesting period. The expected mitigation of these timing differences, alongside the associated income statement changes described above, enables us to better present the operating performance and revenue trends. Accordingly, we no longer present non-GAAP financial measures excluding DCP.

For additional information on DCP, refer to "Other Matters" herein and Note 2 to the financial statements.

Tangible common equity is a non-GAAP financial measure that we believe analysts, investors and other stakeholders consider useful to allow for comparability to peers and of the period-to-period use of our equity. The calculation of tangible common equity represents common shareholders' equity less goodwill and intangible assets net of allowable mortgage servicing rights deduction. In addition, we believe that certain ratios that utilize tangible common equity, such as return on average tangible common equity ("ROTCE") and tangible book value per common share, also non-GAAP financial measures, are useful for evaluating the operating performance and capital adequacy of the business period-to-period, respectively. The calculation of ROTCE represents annualized earnings applicable to Morgan Stanley common shareholders as a percentage of average tangible common equity. The calculation of tangible book value per common share represents tangible common equity divided by common shares outstanding.

The principal non-GAAP financial measures presented in this document are set forth in the following tables.

Reconciliations from U.S. GAAP to Non-GAAP Consolidated Financial Measures

$ in millions	Three Months Ended June 30, 2025	Six Months Ended June 30, 2025
Net revenues	$ 16,792	$ 34,531
Adjustment for mark-to-market losses (gains) on DCP[1]	(377)	(228)
Adjusted Net revenues—non-GAAP	$ 16,415	$ 34,303
Compensation expense	$ 7,190	$ 14,711
Adjustment for mark-to-market gains (losses) on DCP[1]	(371)	(369)
Adjusted Compensation expense—non-GAAP	$ 6,819	$ 14,342
Wealth Management Net revenues	$ 7,764	$ 15,091
Adjustment for mark-to-market losses (gains) on DCP[1]	(294)	(163)
Adjusted Wealth Management Net revenues—non-GAAP	$ 7,470	$ 14,928
Wealth Management Compensation expense	$ 4,147	$ 8,146
Adjustment for mark-to-market gains (losses) on DCP[1]	(264)	(247)
Adjusted Wealth Management Compensation expense—non-GAAP	$ 3,883	$ 7,899

1. Net revenues and compensation expense are adjusted for DCP for both Firm and Wealth Management business segment. Beginning in the first quarter of 2026 we use derivatives to hedge our DCP awards and no longer present non-GAAP financial measures adjusted for mark-to-market gains and losses on DCP. See "Other Matters" herein and Note 2 to the financial statements for more information.

$ in millions	**At June 30, 2026**	At December 31, 2025
Tangible equity		
Common equity	**$ 106,579**	$ 101,882
Less: Goodwill and net intangible assets	**(22,977)**	(22,735)
Tangible common equity—non-GAAP	**$ 83,602**	$ 79,147

	Average Monthly Balance			
	Three Months Ended June 30,		Six Months Ended June 30,	
$ in millions	**2026**	2025	**2026**	2025
Tangible equity				
Common equity	**$ 104,913**	$ 97,512	**$ 103,820**	$ 96,420
Less: Goodwill and net intangible assets	**(23,024)**	(22,964)	**(23,011)**	(23,025)
Tangible common equity—non-GAAP	**$ 81,889**	$ 74,548	**$ 80,809**	$ 73,395

Non-GAAP Financial Measures by Business Segment

	Three Months Ended June 30,		Six Months Ended June 30,	
$ in billions	**2026**	2025	**2026**	2025
Average common equity[1]				
Institutional Securities	**$ 48.2**	$ 48.4	**$ 48.2**	$ 48.4
Wealth Management	**28.7**	29.4	**28.7**	29.4
Investment Management	**10.2**	10.6	**10.2**	10.6
ROE[2]				
Institutional Securities	**26 %**	12 %	**26 %**	16 %
Wealth Management	**29 %**	23 %	**28 %**	21 %
Investment Management	**12 %**	9 %	**11 %**	10 %
Average tangible common equity[1]				
Institutional Securities	**$ 47.7**	$ 48.0	**$ 47.7**	$ 48.0
Wealth Management	**15.4**	16.3	**15.4**	16.3
Investment Management	**0.8**	1.0	**0.8**	1.0
ROTCE[2]				
Institutional Securities	**26 %**	12 %	**26 %**	16 %
Wealth Management	**53 %**	41 %	**53 %**	39 %
Investment Management	**159 %**	97 %	**143 %**	100 %

1. Average common equity and average tangible common equity for each business segment is determined using our Required Capital framework (see "Liquidity and Capital Resources—Regulatory Requirements—Attribution of Average Common Equity According to the Required Capital Framework" herein). The sums of the segments' Average common equity and Average tangible common equity do not equal the Consolidated measures due to Parent Company equity.
2. The calculation of ROE and ROTCE by segment uses net income applicable to Morgan Stanley by segment less preferred dividends allocated to each segment, annualized as a percentage of average common equity and average tangible common equity, respectively, allocated to each segment.

Return on Tangible Common Equity Goal

We have an ROTCE goal of 20%. Our ROTCE goal is a forward-looking statement that is based on a normal market environment and may be materially affected by many factors.

See "Risk Factors" and "Forward-Looking Statements" in the 2025 Form 10-K for further information on market and economic conditions and their potential effects on our future operating results.

ROTCE represents a non-GAAP financial measure. For further information on non-GAAP measures, see "Selected Non-GAAP Financial Information" herein.

Business Segments

Substantially all of our operating revenues and operating expenses are directly attributable to our business segments. Certain revenues and expenses have been allocated to each business segment, generally in proportion to its respective net revenues, non-interest expenses or other relevant measures. See Note 19 to the financial statements for segment net revenues by income statement line item and information on intersegment transactions.

For an overview of the components of our business segments, net revenues, provision for credit losses, compensation expense and income taxes, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Business Segments" in the 2025 Form 10-K.

Institutional Securities

Income Statement Information

$ in millions	Three Months Ended June 30, 2026	2025	% Change
Revenues			
Advisory	**$ 798**	$ 508	**57 %**
Equity	**851**	500	**70 %**
Fixed Income	**788**	532	**48 %**
Total Underwriting	**1,639**	1,032	**59 %**
Total Investment Banking	**2,437**	1,540	**58 %**
Equity	**6,300**	3,721	**69 %**
Fixed Income	**2,455**	2,180	**13 %**
Other	**(152)**	202	**(175)%**
Net revenues	**$ 11,040**	$ 7,643	**44 %**
Provision for credit losses	**71**	168	**(58)%**
Compensation and benefits	**2,980**	2,430	**23 %**
Non-compensation expenses	**3,727**	2,934	**27 %**
Total non-interest expenses	**6,707**	5,364	**25 %**
Income before provision for income taxes	**4,262**	2,111	**102 %**
Provision for income taxes	**999**	472	**112 %**
Net income	**3,263**	1,639	**99 %**
Net income applicable to noncontrolling interests	**71**	35	**103 %**
Net income applicable to Morgan Stanley	**$ 3,192**	$ 1,604	**99 %**

$ in millions	Six Months Ended June 30, 2026	2025	% Change
Revenues			
Advisory	**$ 1,776**	$ 1,071	**66 %**
Equity	**1,247**	819	**52 %**
Fixed Income	**1,530**	1,209	**27 %**
Total Underwriting	**2,777**	2,028	**37 %**
Total Investment Banking	**4,553**	3,099	**47 %**
Equity	**11,448**	7,849	**46 %**
Fixed Income	**5,813**	4,784	**22 %**
Other	**(53)**	894	**(106)%**
Net revenues	**$ 21,761**	$ 16,626	**31 %**
Provision for credit losses	**163**	259	**(37)%**
Compensation and benefits	**6,244**	5,284	**18 %**
Non-compensation expenses	**6,931**	5,691	**22 %**
Total non-interest expenses	**13,175**	10,975	**20 %**
Income before provision for income taxes	**8,423**	5,392	**56 %**
Provision for income taxes	**1,795**	1,168	**54 %**
Net income	**6,628**	4,224	**57 %**
Net income applicable to noncontrolling interests	**142**	91	**56 %**
Net income applicable to Morgan Stanley	**$ 6,486**	$ 4,133	**57 %**

Investment Banking

Investment Banking Volumes

$ in billions	Three Months Ended June 30, 2026	2025	Six Months Ended June 30, 2026	2025
Completed mergers and acquisitions[1]	**$ 320**	$ 171	**$ 652**	$ 323
Equity and equity-related offerings[2, 3]	**45**	22	**60**	37
Fixed Income offerings[2, 4]	**132**	92	**278**	195

Source: LSEG Data & Risk Analytics as of July 1, 2026. Transaction volumes may not be indicative of net revenues in a given period. In addition, transaction volumes for prior periods may vary from amounts previously reported due to the subsequent withdrawal, change in value or change in timing of certain transactions.
1. Includes transactions of $100 million or more. Based on full credit to each of the advisors in a transaction.
2. Based on full credit for single book managers and equal credit for joint book managers.
3. Includes Rule 144A issuances and registered public offerings of common stock, convertible securities and rights offerings.
4. Includes Rule 144A and publicly registered issuances, non-convertible preferred stock, mortgage-backed and asset-backed securities, and taxable municipal debt. Excludes leveraged loans and self-led issuances.

Investment Banking Revenues

Net revenues of $2,437 million in the current quarter and $4,553 million in the current year period increased 58% and 47%, respectively, compared with the prior year periods, reflecting increases across businesses, particularly in the Americas.

- Advisory revenues increased primarily reflecting higher completed M&A transactions.
- Equity underwriting revenues increased primarily on higher initial public offerings, follow-on offerings and convertible issuances.
- Fixed Income underwriting revenues increased primarily reflecting higher non-investment grade and investment grade bond issuances from client capital raising and strategic activity.

See "Investment Banking Volumes" herein.

Equity, Fixed Income and Other Net Revenues

Equity and Fixed Income Net Revenues

$ in millions	Three Months Ended June 30, 2026 Trading	Fees[1]	Net Interest[2]	All Other[3]	Total
Financing	**$ 3,829**	**$ 182**	**$ (810)**	**$ 1**	**$ 3,202**
Execution services	**2,111**	**1,037**	**(56)**	**6**	**3,098**
Total Equity	**$ 5,940**	**$ 1,219**	**$ (866)**	**$ 7**	**$ 6,300**
Total Fixed Income	**$ 1,915**	**$ 111**	**$ 302**	**$ 127**	**$ 2,455**

$ in millions	Three Months Ended June 30, 2025 Trading	Fees[1]	Net Interest[2]	All Other[3]	Total
Financing	$ 2,441	$ 156	$ (706)	$ —	$ 1,891
Execution services	1,059	733	(106)	144	1,830
Total Equity	$ 3,500	$ 889	$ (812)	$ 144	$ 3,721
Total Fixed Income	$ 1,893	$ 107	$ 113	$ 67	$ 2,180

$ in millions	Six Months Ended June 30, 2026 Trading	Fees[1]	Net Interest[2]	All Other[3]	Total
Financing	$ 6,957	$ 354	$ (1,479)	$ 3	$ 5,835
Execution services	3,829	1,963	(219)	40	5,613
Total Equity	**$10,786**	**$ 2,317**	**$ (1,698)**	**$ 43**	**$11,448**
Total Fixed Income	**$ 4,716**	**$ 251**	**$ 617**	**$ 229**	**$ 5,813**

$ in millions	Six Months Ended June 30, 2025 Trading	Fees[1]	Net Interest[2]	All Other[3]	Total
Financing	$ 4,708	$ 312	$ (1,303)	$ —	$ 3,717
Execution services	2,529	1,531	(204)	276	4,132
Total Equity	$ 7,237	$ 1,843	$ (1,507)	$ 276	$ 7,849
Total Fixed Income	$ 4,300	$ 215	$ 132	$ 137	$ 4,784

1. Includes Commissions and fees and Asset management revenues.
2. Includes funding costs, which are allocated to the businesses based on funding usage.
3. Includes Investments and Other revenues.

Equity

Net revenues of $6,300 million in the current quarter and $11,448 million in the current year period increased 69% and 46%, respectively, compared with the prior year periods, reflecting an increase in Financing and Execution services, particularly in Asia.

- Financing revenues increased primarily due to increased client activity and higher average client balances.
- Execution services revenues increased primarily due to higher results in derivatives and increased client activity in cash equities.

Fixed Income

Net revenues of $2,455 million in the current quarter increased 13% from the prior year quarter, primarily reflecting an increase in Credit products.

- Global macro products revenues were relatively unchanged compared with the prior year quarter, primarily driven by a decline in foreign exchange products, offset by higher gains on inventory held to facilitate client activity in rates products.
- Credit products revenues increased primarily due to higher results on inventory held to facilitate client activity in corporate credit products and the cumulative impact of lending growth in the securitized products business.
- Commodities products and other fixed income revenues increased primarily due to higher results on inventory held to facilitate client activity in power and gas, partially offset by losses compared with gains in the prior year quarter on inventory held to facilitate client activity in oil and products.

Net revenues of $5,813 million in the current year period increased 22% from the prior year period, primarily reflecting an increase in Commodities and Credit products.

- Global macro products revenues decreased primarily due to lower gains on inventory held to facilitate client activity, partially offset by increased client activity, both in rates and foreign exchange products.
- Credit products revenues increased primarily due to higher results in corporate credit products and the cumulative impact of lending growth in the securitized products business.
- Commodities products and other fixed income revenues increased primarily due to higher results in oil, power and gas products.

Other Net Revenues

Other net revenues reflected a loss of $152 million in the current quarter compared with a gain of $202 million in the prior year quarter, primarily reflecting higher mark-to-market losses on corporate loans, inclusive of hedges.

Other net revenues reflected a loss of $53 million in the current year period compared with a gain of $894 million in the prior year period, primarily driven by mark-to-market losses on corporate loans, inclusive of hedges, compared with realized gains on the sale of corporate loans held-for-sale in the prior year period.

Provision for Credit Losses

The Provision for credit losses on loans and lending commitments of $71 million in the current quarter and $163 million in the current year period was primarily related to certain specific commercial real estate and corporate loans and portfolio growth in corporate loans and secured lending facilities. The Provision for credit losses on loans and lending commitments of $168 million in the prior year quarter and $259 million in the prior year period was primarily related to portfolio growth in corporate loans and secured lending facilities and a macroeconomic outlook reflecting slower GDP growth.

For further information on the Provision for credit losses, see "Credit Risk" herein.

Non-Interest Expenses

Non-interest expenses of $6,707 million in the current quarter and $13,175 million in the current year period increased 25% and 20%, respectively, compared with the prior year periods, reflecting higher Non-compensation expenses and Compensation and benefits expenses.

- Compensation and benefits expenses increased primarily due to higher discretionary incentive compensation on higher revenues.
- Non-compensation expenses increased primarily due to higher execution-related expenses.

Wealth Management

Income Statement Information

$ in millions	Three Months Ended June 30, 2026	2025	% Change
Revenues			
Asset management	**$ 5,261**	$ 4,411	**19 %**
Transactional[1]	**1,167**	1,264	**(8)%**
Net interest	**2,254**	1,910	**18 %**
Other[2]	**174**	179	**(3)%**
Net revenues	**8,856**	7,764	**14 %**
Provision for credit losses	**27**	28	**(4)%**
Compensation and benefits	**4,648**	4,147	**12 %**
Non-compensation expenses	**1,484**	1,389	**7 %**
Total non-interest expenses	**6,132**	5,536	**11 %**
Income before provision for income taxes	**2,697**	2,200	**23 %**
Provision for income taxes	**600**	500	**20 %**
Net income applicable to Morgan Stanley	**$ 2,097**	$ 1,700	**23 %**

$ in millions	Six Months Ended June 30, 2026	2025	% Change
Revenues			
Asset management	**$ 10,340**	$ 8,807	**17 %**
Transactional[1]	**2,294**	2,137	**7 %**
Net interest	**4,424**	3,812	**16 %**
Other[2]	**317**	335	**(5)%**
Net revenues	**17,375**	15,091	**15 %**
Provision for credit losses	**33**	72	**(54)%**
Compensation and benefits	**9,296**	8,146	**14 %**
Non-compensation expenses	**2,758**	2,722	**1 %**
Total non-interest expenses	**12,054**	10,868	**11 %**
Income before provision for income taxes	**5,288**	4,151	**27 %**
Provision for income taxes	**1,144**	919	**24 %**
Net income applicable to Morgan Stanley	**$ 4,144**	$ 3,232	**28 %**

1. Transactional includes Investment banking, Trading, and Commissions and fees revenues.
2. Other includes Investments and Other revenues.

Wealth Management Metrics

$ in billions	At June 30, 2026	At December 31, 2025
Total client assets[1]	**$ 8,084**	$ 7,381
U.S. Bank Subsidiary loans	**$ 196**	$ 181
Margin and other lending[2]	**$ 36**	$ 31
Deposits[3]	**$ 436**	$ 408
Annualized weighted average cost of deposits[4]		
Period end	**2.60%**	2.51%
Period average for three months ended	**2.54%**	2.67%

	Three Months Ended June 30, 2026	2025	Six Months Ended June 30, 2026	2025
Net new assets	**$ 148.1**	$ 59.2	**$ 266.5**	$ 153.0

1. Client assets represent those for which Wealth Management is providing services including financial advisor-led brokerage, investment advisory, custody, cash management, and administrative services; self-directed brokerage services; financial and wealth planning services; workplace services, including stock plan administration of vested public company securities and retirement plan services. As part of the Integrated Firm, Wealth Management may provide these services to clients who also use the services of one or more other business segments. See "Advisor-Led Channel" and "Self-Directed Channel" herein for additional information.
2. Margin and other lending represents margin lending arrangements, which allow customers to borrow against the value of qualifying securities and other lending which includes non-purpose securities-based lending on non-bank entities.
3. Deposits reflect liabilities sourced from Wealth Management clients and other sources of funding on our U.S. Bank Subsidiaries. Deposits include sweep deposit programs, savings and other deposits, and time deposits.
4. Annualized weighted average represents the total annualized weighted average cost of the various deposit products. Amounts include the effect of related hedging derivatives. The period end cost of deposits is based upon balances and rates as of June 30, 2026 and December 31, 2025. The period average is based on daily balances and rates for the period.

Net New Assets

NNA represent client asset inflows, including interest, dividends and asset acquisitions, less client asset outflows, and excluding the impact of business combinations/ divestitures and the impact of fees and commissions. Any revenues earned by Wealth Management on client assets will vary depending upon the services and products provided. The level of NNA in a given period is influenced by a variety of factors, including client investment and spending behaviors, seasonality, our ability to attract and retain financial advisors and clients, capital market and corporate activities which may impact the amount of assets in certain client channels, and large idiosyncratic inflows and outflows, including single large client events. These factors have had an impact on our NNA in recent periods. Should these factors continue, the growth rate of our NNA may be impacted.

NNA for the current quarter were $148 billion, of which just over half represented inflows related to IPOs of certain clients in our Workplace channel.

Advisor-Led Channel

$ in billions	At June 30, 2026	At December 31, 2025
Advisor-led client assets[1]	**$ 6,273**	$ 5,715
Fee-based client assets[2]	**$ 3,022**	$ 2,753
Fee-based client assets as a percentage of advisor-led client assets	**48%**	48%

	Three Months Ended June 30, 2026	2025	Six Months Ended June 30, 2026	2025
Fee-based asset flows[3]	**$ 39.1**	$ 42.8	**$ 92.8**	$ 72.6

1. Advisor-led client assets represent client assets in accounts that have a Wealth Management advisor assigned.
2. Fee-based client assets represent the amount of client assets where the basis of payment for services is a fee calculated on those assets.
3. Fee-based asset flows include net new fee-based assets (including asset acquisitions), net account transfers, dividends, interest and client fees, and exclude institutional cash management related activity. For a description of the Inflows and Outflows included in Fee-based asset flows, see "Fee-Based Client Assets Rollforwards" herein.

Self-Directed Channel

	At June 30, 2026	At December 31, 2025
Self-directed client assets[1] (in billions)	**$ 1,811**	$ 1,667
Self-directed households[2] (in millions)	**8.7**	8.5

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	**2026**	2025
Daily average revenue trades ("DARTs")[3] (in thousands)	**1,278**	983	**1,203**	993

1. Self-directed client assets represent active accounts which are not advisor led. Active accounts are defined as having at least $25 in assets.
2. Self-directed households represent the total number of households that include at least one active account with self-directed assets. Individual households or participants that are engaged in one or more of our Wealth Management channels are included in each of the respective channel counts.
3. DARTs represent the total self-directed trades in a period divided by the number of trading days during that period.

Workplace Channel[1]

	At June 30, 2026	At December 31, 2025
Stock plan unvested public assets[2] (in billions)	**$ 658**	$ 534
Stock plan participants[3] (in millions)	**6.6**	6.5

1. The workplace channel includes equity compensation solutions for companies, their executives and employees.
2. Stock plan unvested assets are not included in client assets and represent the market value of public company securities at the end of the period, and excludes private company securities.
3. Stock plan participants represent total accounts with vested and/or unvested stock plan assets in the workplace channel. Individuals with accounts in multiple plans are counted as participants in each plan.

Net Revenues

Asset Management

Asset management revenues of $5,261 million in the current quarter and $10,340 million in the current year period increased 19% and 17%, respectively, compared with the prior year periods, primarily reflecting higher fee-based assets due to higher market levels and the cumulative impact of positive fee-based flows.

See "Fee-Based Client Assets Rollforwards" herein.

Transactional Revenues

Transactional revenues of $1,167 million in the current quarter decreased 8% compared with the prior year quarter, primarily driven by $294 million gains on DCP investments in the prior year quarter, which are no longer presented in net revenues, partially offset by higher client activity across products and channels.

Transactional revenues of $2,294 million in the current year period increased 7% compared with the prior year period, primarily driven by higher client activity across products and channels, partially offset by $163 million gains on DCP investments in the prior year period, which are no longer presented in net revenues.

For further information on the impact of DCP and our use of derivatives as hedges of certain DCP awards beginning in the first quarter of 2026, see "Selected Non-GAAP Financial Information" herein.

Net Interest

Net interest revenues of $2,254 million in the current quarter and $4,424 million in the current year period increased 18% and 16%, respectively, compared with the prior year periods, primarily due to the cumulative impact of lending growth and higher average sweep deposits.

The level and pace of interest rate changes and other macroeconomic factors have impacted client preferences, including cash allocation to other products and client demand for loans. These factors, along with other developments, such as pricing changes to certain deposit types due to various competitive dynamics and central bank actions, have impacted our net interest income. To the extent they persist, or other factors arise, net interest income may be impacted in future periods.

Provision for Credit Losses

The Provision for credit losses on loans and lending commitments of $27 million in the current quarter was primarily related to certain specific loans in our tailored lending portfolio and portfolio growth. The Provision for credit losses on loans and lending commitments of $28 million in the prior year quarter was primarily related to certain specific loans in our tailored lending portfolio and portfolio growth in residential real estate loans.

The Provision for credit losses on loans and lending commitments of $33 million in the current year period was primarily related to certain specific loans in our tailored lending portfolio and portfolio growth. The Provision for credit losses on loans and lending commitments of $72 million in the prior year period was primarily related to certain specific loans in our tailored lending portfolio and residential real estate loans related to California wildfires.

For further information on the Provision for credit losses, see "Credit Risk" herein.

Non-Interest Expenses

Non-interest expenses of $6,132 million in the current quarter and $12,054 million in the current year period increased 11% in both periods compared with the prior year periods, primarily as a result of higher Compensation and benefits expenses.

- Compensation and benefits expenses increased, primarily as a result of an increase in the formulaic payout to Wealth Management advisors driven by higher compensable revenues.

For information on the impact of DCP and our use of derivatives as hedges of certain DCP awards beginning in the first quarter, see "Selected Non-GAAP Financial Information" herein.

- Non-compensation expenses increased, primarily as a result of higher marketing and business development costs and technology spend. The increase in the current year period was partially offset by lower amortization of intangible assets.

Fee-Based Client Assets Rollforwards

$ in billions	At March 31, 2026	Inflows[1]	Outflows[2]	Market Impact[3]	At June 30, 2026
Separately managed[4]	$ 873	$ 42	$ (30)	$ (2)	$ 883
Unified managed	767	47	(31)	64	847
Advisor	224	18	(15)	21	248
Portfolio manager	852	52	(44)	74	934
Subtotal	$ 2,716	$ 159	$ (120)	$ 157	$ 2,912
Cash management	76	48	(14)	—	110
Total	$ 2,792	$ 207	$ (134)	$ 157	$ 3,022

$ in billions	At March 31, 2025	Inflows[1]	Outflows[2]	Market Impact[3]	At June 30, 2025
Separately managed[4]	$ 722	$ 30	$ (10)	$ (14)	$ 728
Unified managed	623	34	(17)	40	680
Advisor	201	9	(10)	14	214
Portfolio manager	743	33	(26)	43	793
Subtotal	$ 2,289	$ 106	$ (63)	$ 83	$ 2,415
Cash management	60	15	(12)	—	63
Total	$ 2,349	$ 121	$ (75)	$ 83	$ 2,478

$ in billions	At December 31, 2025	Inflows[1]	Outflows[2]	Market Impact[3]	At June 30, 2026
Separately managed[4]	$ 833	$ 86	$ (53)	$ 17	$ 883
Unified managed	760	99	(57)	45	847
Advisor	229	36	(33)	16	248
Portfolio manager	861	102	(87)	58	934
Subtotal	$ 2,683	$ 323	$ (230)	$ 136	$ 2,912
Cash management	70	65	(25)	—	110
Total	$ 2,753	$ 388	$ (255)	$ 136	$ 3,022

$ in billions	At December 31, 2024	Inflows[1]	Outflows[2]	Market Impact[3]	At June 30, 2025
Separately managed[4]	$ 719	$ 49	$ (21)	$ (19)	$ 728
Unified managed	613	68	(34)	33	680
Advisor	207	17	(19)	9	214
Portfolio manager	750	63	(50)	30	793
Subtotal	$ 2,289	$ 197	$ (124)	$ 53	$ 2,415
Cash management	58	26	(21)	—	63
Total	$ 2,347	$ 223	$ (145)	$ 53	$ 2,478

1. Inflows include new accounts, account transfers, deposits, dividends and interest.
2. Outflows include closed or terminated accounts, account transfers, withdrawals and client fees.
3. Market impact includes realized and unrealized gains and losses on portfolio investments.
4. Includes non-custody account values based on asset values reported on a quarter lag by third-party custodians.

Average Fee Rates[1]

	Three Months Ended June 30,		Six Months Ended June 30,	
Fee rate in bps	**2026**	2025	**2026**	2025
Separately managed	**12**	12	**12**	12
Unified managed	**89**	90	**89**	90
Advisor	**75**	78	**76**	78
Portfolio manager	**87**	88	**87**	88
Subtotal	**63**	64	**63**	64
Cash management	**5**	6	**5**	6
Total	**61**	62	**62**	63

1. Based on Asset management revenues related to advisory services associated with fee-based assets.

For a description of fee-based client assets in the previous tables, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Business Segments—Wealth Management Fee-Based Client Assets" in the 2025 Form 10-K.

Investment Management

Income Statement Information

$ in millions	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	% Change
Revenues			
Asset management and related fees	**$ 1,516**	$ 1,434	**6 %**
Performance-based income and other[1]	**130**	118	**10 %**
Net revenues	**1,646**	1,552	**6 %**
Compensation and benefits	**559**	613	**(9)%**
Non-compensation expenses	**683**	616	**11 %**
Total non-interest expenses	**1,242**	1,229	**1 %**
Income before provision for income taxes	**404**	323	**25 %**
Provision for income taxes	**99**	77	**29 %**
Net income	**305**	246	**24 %**
Net income (loss) applicable to noncontrolling interests	**1**	1	**N/M**
Net income applicable to Morgan Stanley	**$ 304**	$ 245	**24 %**

$ in millions	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025	% Change
Revenues			
Asset management and related fees	**$ 3,012**	$ 2,885	4 %
Performance-based income and other[1]	**169**	269	**(37)%**
Net revenues	**3,181**	3,154	**1 %**
Compensation and benefits	**1,189**	1,281	**(7)%**
Non-compensation expenses	**1,308**	1,227	**7 %**
Total non-interest expenses	**2,497**	2,508	**— %**
Income before provision for income taxes	**684**	646	**6 %**
Provision for income taxes	**137**	138	**(1)%**
Net income	**547**	508	**8 %**
Net income (loss) applicable to noncontrolling interests	**1**	1	**N/M**
Net income applicable to Morgan Stanley	**$ 546**	$ 507	**8 %**

1. Includes Investments and Trading, Net interest, and Other revenues.

Net Revenues

Asset Management and Related Fees

Asset management and related fees of $1,516 million in the current quarter and $3,012 million in the current year period increased 6% and 4% from the prior year periods, primarily driven by higher average AUM on higher market levels and the cumulative impact of positive long-term net flows, partially offset by lower average fee rates, reflecting a change in asset mix.

Asset management revenues are influenced by the level, relative mix of AUM and related fee rates. While higher market levels drove increases in average AUM in the current quarter, there were continued net outflows in the Equity asset class, which may be influenced by the structure and performance of our investment strategies and products relative to their benchmarks, offset by higher net inflows in the Alternatives and Solutions and Fixed Income asset classes, reflecting client preferences. To the extent these conditions continue, we would expect our Asset management revenue to continue to be impacted.

See "Assets Under Management or Supervision" herein.

Performance-based Income and Other

Performance-based income and other revenues of $130 million in the current quarter were relatively unchanged from the prior year quarter, as a result of higher net investment gains, offset by lower accrued carried interest in certain private funds.

Performance-based income and other revenues of $169 million in the current year period decreased from the prior year period, primarily due to lower accrued carried interest in certain private funds, partially offset by higher net investment gains in private funds.

Non-Interest Expenses

Non-interest expenses of $1,242 million in the current quarter and $2,497 million in the current year period were relatively unchanged from the prior year periods, as a result of lower Compensation and benefits expenses, offset by higher Non-compensation expenses.

- Compensation and benefits expenses decreased, primarily due to lower expenses related to compensation associated with carried interest.
- Non-compensation expenses increased, primarily due to higher brokerage and clearing expenses and increased technology spend.

Assets Under Management or Supervision Rollforwards[1]

$ in billions	At March 31, 2026	Inflows[2]	Outflows[3]	Net Flows	Distributions[4]	Market Impact and Other[5]	At June 30, 2026
Equity	$ 221	$ 11	$ (23)	$ (13)	$ (1)	$ 27	$ 235
Fixed Income	219	22	(14)	7	(1)	3	229
Alternatives and Solutions[6]	770	41	(29)	13	(1)	71	852
Long-Term AUM	$ 1,210	$ 74	$ (66)	$ 8	$ (3)	$ 101	$ 1,316
Liquidity and Overlay Services	658	800	(774)	27	(4)	8	688
Total	$ 1,868	$ 874	$ (840)	$ 35	$ (7)	$ 109	$ 2,004

$ in billions	At March 31, 2025	Inflows[2]	Outflows[3]	Net Flows	Distributions[4]	Market Impact and Other[5]	At June 30, 2025
Equity	$ 250	$ 9	$ (12)	$ (3)	$ —	$ 24	$ 271
Fixed Income	186	24	(17)	7	(1)	6	198
Alternatives and Solutions[6]	650	33	(25)	8	(1)	43	700
Long-Term AUM	$ 1,086	$ 66	$ (54)	$ 12	$ (2)	$ 73	$ 1,169
Liquidity and Overlay Services	561	647	(670)	(23)	(4)	10	544
Total	$ 1,647	$ 713	$ (724)	$ (11)	$ (6)	$ 83	$ 1,713

$ in billions	At December 31, 2025	Inflows[2]	Outflows[3]	Net Flows	Distributions[4]	Market Impact and Other[5]	At June 30, 2026
Equity	$ 253	$ 19	$ (43)	$ (24)	$ (1)	$ 7	$ 235
Fixed Income	217	45	(33)	12	(2)	2	229
Alternatives and Solutions[6]	776	83	(60)	23	(3)	56	852
Long-Term AUM	$ 1,246	$ 147	$ (136)	$ 11	$ (6)	$ 65	$ 1,316
Liquidity and Overlay Services	649	1,548	(1,513)	35	(7)	11	688
Total	$ 1,895	$ 1,695	$ (1,649)	$ 46	$ (13)	$ 76	$ 2,004

$ in billions	At December 31, 2024	Inflows[2]	Outflows[3]	Net Flows	Distributions[4]	Market Impact and Other[5]	At June 30, 2025
Equity	$ 259	$ 21	$ (28)	$ (7)	$ —	$ 19	$ 271
Fixed Income	179	40	(29)	11	(2)	10	198
Alternatives and Solutions[6]	654	68	(51)	17	(3)	32	700
Long-Term AUM	$ 1,092	$ 129	$ (108)	$ 21	$ (5)	$ 61	1,169
Liquidity and Overlay Services	574	1,340	(1,379)	(38)	(8)	17	544
Total	$ 1,666	$ 1,469	$ (1,487)	$ (17)	$ (13)	$ 78	$ 1,713

1. During the first quarter of 2026, certain products were reclassified among asset classes to more closely align reporting with underlying investment strategies, primarily reflecting a reclassification of certain tax-managed solutions from Equity to Alternatives and Solutions. These changes had no impact on total AUM. Prior period amounts have been adjusted to conform with the current period presentation.
2. Inflows represent investments or commitments from new and existing clients in new or existing investment products, including client reinvestments. Inflows exclude the gross impact of exchanges, whereby a client changes positions within the same asset class.
3. Outflows represent redemptions from clients' funds and exclude the gross impact of exchanges, whereby a client changes positions within the same asset class.
4. Distributions represent returns of capital or returns on investments. Amounts for prior periods have been reclassified from 'Other' to conform with the current period presentation.
5. Market Impact and Other includes realized and unrealized gains and losses on portfolio investments and the impact of foreign currency changes for non-U.S. dollar denominated funds, and excludes any funds where market impact does not impact management fees.
6. As of June 30, 2026 and June 30, 2025, Alternatives and Solutions includes Parametric Long-Term period-end AUM of $592 billion and $466 billion, respectively. Parametric Long-Term products generally have lower average fee rates than other Alternatives and Solutions products.

Average AUM[1]

	Three Months Ended June 30,		Six Months Ended June 30,	
$ in billions	**2026**	2025	**2026**	2025
Equity	$ 233	$ 259	$ 240	$ 261
Fixed income	224	190	222	187
Alternatives and Solutions	823	670	808	667
Long-term AUM subtotal	1,280	1,119	1,270	1,115
Liquidity and Overlay Services	672	553	666	559
Total	$ 1,952	$ 1,672	$ 1,936	$ 1,674

For a description of the asset classes, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Business Segments—Investment Management—Assets Under Management or Supervision Rollforwards" in the 2025 Form 10-K.

Average Fee Rates[1,2]

	Three Months Ended June 30,		Six Months Ended June 30,	
Fee rate in bps	**2026**	2025	**2026**	2025
Equity	69	71	69	72
Fixed income	34	35	34	35
Alternatives and Solutions	28	30	28	31
Long-term AUM	36	40	37	41
Liquidity and Overlay Services	12	13	12	13
Investment Management	28	31	28	31

1. As a result of the reclassification described above in the "Assets Under Management or Supervision Rollforwards" table, prior period amounts have been adjusted to conform with the current period presentation.
2. Based on Asset management revenues, net of waivers, excluding performance-based fees and other non-management fees. For certain non-U.S. funds, it includes the portion of advisory fees that the advisor collects on behalf of third-party distributors. The payment of those fees to the distributor is included in Non-compensation expenses in the income statement.

Supplemental Financial Information

U.S. Bank Subsidiaries

Morgan Stanley Bank, N.A. ("MSBNA") and Morgan Stanley Private Bank, National Association ("MSPBNA") are our U.S. Bank Subsidiaries (together, "U.S. Bank Subsidiaries").

MSBNA is a national bank that primarily offers institutional lending and institutional sales and trading, including fixed income and equity derivatives. The institutional lending primarily includes Secured lending facilities, Commercial and Residential real estate and Corporate loans, and together with the institutional sales and trading activity is reported within the Institutional Securities business segment.

MSPBNA is a national bank that primarily offers residential mortgage lending, securities-based and other financing, primarily to customers and clients of our Wealth Management business segment.

Both MSBNA and MSPBNA source deposits from Wealth Management clients, utilize other sources of funding, and maintain investment portfolios for liquidity and interest rate risk management purposes.

Consistent with the Firm's strategic objective of ongoing growth of eligible assets at MSBNA, on February 14, 2026, the Fixed Income business of Morgan Stanley Capital Services LLC ("MSCS") was merged into MSBNA, and on March 14, 2026, Morgan Stanley Europe SE ("MSESE"), together with its subsidiary Morgan Stanley Bank AG (collectively, the "MSESE Group") was acquired by MSBNA (collectively the "Reorganization"). In the following table, U.S. Bank Subsidiaries' Supplemental Financial Information is presented as if the Reorganization occurred at the beginning of 2025. Prior period amounts have been revised to conform with the current period presentation.

For a further discussion of our credit risks, see "Quantitative and Qualitative Disclosures about Risk—Credit Risk" herein. For a further discussion about loans and lending commitments, see Notes 9 and 13 to the financial statements.

U.S. Bank Subsidiaries' Consolidated Supplemental Financial Information[1]

$ in billions	**At June 30, 2026**	At December 31, 2025
Trading assets at fair value (**$24.7** and $37.8 pledged as collateral)	**$ 86.7**	$ 91.7
Investment securities		
Available-for-sale at fair value	**81.0**	88.4
Held-to-maturity	**41.3**	44.2
Total Investment securities	**$ 122.3**	$ 132.6
Wealth Management loans[2]		
Residential real estate	**$ 75.5**	$ 72.3
Securities-based lending and Other[3]	**120.2**	108.9
Total Wealth Management loans	**$ 195.7**	$ 181.2
Institutional Securities loans[2]		
Corporate	**$ 12.3**	$ 8.9
Secured lending facilities	**72.8**	67.2
Commercial and Residential real estate	**12.6**	11.2
Securities-based lending and Other	**8.8**	9.9
Total Institutional Securities loans	**$ 106.5**	$ 97.2
Total assets	**$ 613.2**	$ 598.7
Deposits[4]	**$ 436.5**	$ 408.7
Trading liabilities at fair value	**$ 31.4**	$ 31.7

1. Financial information is presented on a consolidated basis, inclusive of MSBNA, MSPBNA and their subsidiaries. Amounts exclude transactions between the bank subsidiaries, as well as deposits from the Parent Company and affiliates.
2. Represents loans, net of ACL. For a further discussion of loans in the Wealth Management and Institutional Securities business segments, see "Quantitative and Qualitative Disclosures about Risk—Credit Risk" herein.
3. Other loans primarily include tailored lending. For a further discussion of Other loans, see "Quantitative and Qualitative Disclosures about Risk—Credit Risk" herein.
4. For further information on deposits, see "Liquidity and Capital Resources—Funding Management—Balance Sheet—Unsecured Financing" herein.

Other Matters

Deferred Cash-Based Compensation

The Firm sponsors a number of deferred cash-based compensation programs and stock-based compensation programs for current and former employees, including financial advisors in the Wealth Management business segment, which generally contain vesting, clawback and cancellation provisions. Deferred compensation for financial advisors in the Wealth Management business segment is generally composed of 75% cash-based awards and 25% stock-based awards. The following discussion relates only to deferred cash-based compensation.

Employees are permitted to allocate the value of their deferred cash-based awards among a menu of notional investments, whereby the value of their awards will track the performance of the referenced notional investments. The menu of investments, which is selected by the Firm, includes fixed income, equity, commodity and money market funds.

Compensation expense for DCP awards is calculated based on the notional value of the award granted, adjusted for changes in the fair value of the referenced investments that employees select. Compensation expense is recognized over the vesting period relevant to each separately vesting portion of deferred awards.

Beginning in the first quarter of 2026, hedges for Wealth Management DCP awards were primarily transitioned to derivative instruments. Additionally, in the first quarter of 2026, the Firm reduced the amount of deferred compensation as a proportion of total compensation for Wealth Management advisors. For further information see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Other Matters" in the 2025 Form 10-K and "Selected Non-GAAP Financial Information" and Note 2 to the financial statements herein.

Accounting Development Updates

The Financial Accounting Standards Board has issued certain accounting updates that apply to us. Accounting updates not referenced below were assessed and determined to be either not applicable or to not have a material impact on our financial statements upon adoption.

- *ASU 2025-06 - Internal-Use Software (Issued September 2025).* This update introduces targeted improvements to the recognition and capitalization guidance for internal-use software costs. The update eliminates the prior "project stage" framework and instead requires capitalization of software development costs when (i) management has authorized and committed to funding the software project, and (ii) it is probable that the project will be completed and the software will be used to perform its intended function. In assessing the probability threshold, entities are required to evaluate whether significant development uncertainty exists, including whether the software contains novel or unproven functionality or whether significant performance requirements have not been identified or continue to be substantially revised. The update is effective for the Firm beginning January 1, 2028, with early adoption permitted. Transition may be applied prospectively, retrospectively, or under a modified approach. We are currently evaluating this accounting update.
- *ASU 2026-02 – Environmental Credits and Environmental Credit Obligations (Issued May 2026).* This update establishes guidance on the recognition, measurement, presentation, and disclosure of environmental credit assets and environmental credit obligations. This update requires entities to recognize and measure: (1) environmental credit assets based on their intended use (e.g., compliance environmental credits, noncompliance environmental credits and voluntary credits) as well as how the credits are obtained (e.g., acquired, internally generated); and (2) environmental credit obligations based on whether the entity holds and expects to use compliance environmental credits to settle that obligation. The update is effective for the Firm beginning January 1, 2028, with early adoption permitted. Transition should be applied on a modified retrospective basis. We are currently evaluating this accounting update; however, we do not expect a material impact on our financial statements upon adoption.

Critical Accounting Estimates

Our financial statements are prepared in accordance with U.S. GAAP, which requires us to make estimates and assumptions (see Note 1 to the financial statements). We believe that of our significant accounting policies (see Note 2 to the financial statements in the 2025 Form 10-K and Note 2 to the financial statements), the fair value of financial instruments, goodwill and intangible assets, legal and regulatory contingencies (see Note 14 to the financial statements in the 2025 Form 10-K and Note 13 to the financial statements) and income taxes policies involve a higher degree of judgment and complexity. For a further discussion about our critical accounting policies, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Estimates" in the 2025 Form 10-K.

Liquidity and Capital Resources

Our liquidity and capital policies are established and maintained by senior management, with oversight by the Asset/Liability Management Committee and our Board of Directors ("Board"). Through various risk and control committees, senior management reviews business performance relative to these policies, monitors the availability of alternative sources of financing, and oversees the liquidity, interest rate and currency sensitivity of our asset and liability position. Our Corporate Treasury department ("Treasury"), Firm Risk Committee, Asset/Liability Management Committee, and other committees and control groups assist in evaluating, monitoring and managing the impact that our business activities have on our balance sheet, liquidity and capital structure. Liquidity and capital matters are reported regularly to the Board and the Risk Committee of the Board.

Balance Sheet

We monitor and evaluate the composition and size of our balance sheet on a regular basis. Our balance sheet management process includes quarterly planning, business-specific thresholds, monitoring of business-specific usage versus key performance metrics and new business impact assessments.

We establish balance sheet thresholds at the consolidated and business segment levels. We monitor balance sheet utilization and review variances resulting from business activity and market fluctuations. On a regular basis, we review current performance versus established thresholds and assess the need to re-allocate our balance sheet based on business segment needs. We also monitor key metrics, including asset and liability size and capital usage.

Total Assets by Business Segment

	At June 30, 2026			
$ in millions	IS	WM	IM	Total
Assets				
Cash and cash equivalents[1]	$ 142,940	$ 17,101	$ 94	$ 160,135
Trading assets at fair value	531,345	7,057	5,751	544,153
Investment securities[1]	115,688	37,591	—	153,279
Securities purchased under agreements to resell	120,460	9,056	—	129,516
Securities borrowed	180,050	1,308	—	181,358
Customer and other receivables	102,223	47,204	1,583	151,010
Loans[2]	106,684	195,688	3	302,375
Goodwill	435	10,580	6,090	17,105
Intangible assets	18	2,529	3,326	5,873
Other assets[3]	18,061	10,825	1,367	30,253
Total assets	$1,317,904	$ 338,939	$18,214	$ 1,675,057

	At December 31, 2025			
$ in millions	IS	WM	IM	Total
Assets				
Cash and cash equivalents	$ 81,228	$ 30,426	$ 41	$ 111,695
Trading assets at fair value	410,573	12,428	5,275	428,276
Investment securities	34,111	129,445	—	163,556
Securities purchased under agreements to resell	106,728	13,515	—	120,243
Securities borrowed	150,902	1,006	—	151,908
Customer and other receivables	71,645	41,447	1,628	114,720
Loans[2]	96,850	181,241	3	278,094
Goodwill	437	10,199	6,090	16,726
Intangible assets	21	2,607	3,382	6,010
Other assets[3]	17,058	10,703	1,281	29,042
Total assets	$ 969,553	$ 433,017	$17,700	$ 1,420,270

1. In connection with MSBNA's acquisition of MSESE and the merging of the Fixed Income business of MSCS into MSBNA, the Firm updated its segment balance sheet allocation methodology in the first quarter of 2026. As a result of this update, certain liquid marketable securities and cash which were previously included in the Wealth Management balance sheet are included within the Institutional Securities balance sheet beginning in the first quarter of 2026 to align liquidity resources with segment activities.
2. Amounts include loans held for investment, net of ACL, and loans held for sale but exclude loans at fair value, which are included in Trading assets in the balance sheet (see Note 9 to the financial statements).
3. Other assets primarily includes premises, equipment and software, ROU assets related to leases, other investments and deferred tax assets.

A substantial portion of total assets consists of cash and cash equivalents, liquid marketable securities and short-term receivables. In the Institutional Securities business segment, these arise from market-making, financing and prime brokerage activities, and in the Wealth Management business segment, these arise from banking activities. Liquid marketable securities arising from management of the investment portfolio are included in the balance sheets of the Institutional Securities and Wealth Management business segments. For further information, refer to Note 19 to the financial statements.

Liquidity Risk Management Framework

The core components of our Liquidity Risk Management Framework are the Required Liquidity Framework, Liquidity Stress Tests and Liquidity Resources, which support our target liquidity profile. For a further discussion about the Firm's Required Liquidity Framework and Liquidity Stress Tests, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Liquidity Risk Management Framework" in the 2025 Form 10-K.

At June 30, 2026 and December 31, 2025, we maintained sufficient liquidity to meet current and contingent funding obligations as modeled in our Liquidity Stress Tests.

Liquidity Resources

We maintain sufficient Liquidity Resources, which consist of HQLA and cash deposits with banks, to cover daily funding needs and to meet strategic liquidity targets sized by the Required Liquidity Framework and Liquidity Stress Tests. We actively manage the amount of our Liquidity Resources considering the following components: unsecured debt maturity profile; balance sheet size and composition; funding needs in a stressed environment, inclusive of contingent cash outflows; legal entity, regional and segment liquidity requirements; regulatory requirements; and collateral requirements.

The amount of Liquidity Resources we hold is based on our risk appetite and is calibrated to meet various internal and regulatory requirements and to fund prospective business activities. The Liquidity Resources are primarily held within the Parent Company and its major operating subsidiaries. The Total HQLA values in the tables immediately following are different from Eligible HQLA, which, in accordance with the LCR rule, also takes into account certain regulatory weightings and other operational considerations.

Liquidity Resources by Type of Investment

	Average Daily Balance Three Months Ended	
$ in millions	**June 30, 2026**	March 31, 2026
Cash deposits with central banks	**$ 79,632**	$ 77,223
Unencumbered HQLA securities[1]:		
U.S. government obligations	**189,124**	191,101
U.S. agency and agency mortgage-backed securities	**93,887**	85,992
Non-U.S. sovereign obligations[2]	**33,760**	32,521
Other investment grade securities	**434**	460
Total HQLA[1]	**$ 396,837**	$ 387,297
Cash deposits with banks (non-HQLA)	**7,240**	7,844
Total Liquidity Resources	**$ 404,077**	$ 395,141

1. HQLA is presented prior to applying weightings and includes all HQLA held in subsidiaries.
2. Primarily composed of unencumbered French, U.K., Japanese, German, Italian, and Spanish government obligations.

Liquidity Resources by Non-Bank and Bank Legal Entities[1]

	Average Daily Balance Three Months Ended	
$ in millions	**June 30, 2026**	March 31, 2026
Non-Bank legal entities		
U.S.:		
Parent Company	**$ 98,290**	$ 91,904
Non-Parent Company	**61,564**	58,460
Total U.S.	**159,854**	150,364
Non-U.S.	**66,971**	64,124
Total Non-Bank legal entities	**226,825**	214,488
Bank legal entities		
U.S.	**152,762**	158,442
Non-U.S.	**24,490**	22,211
Total Bank legal entities	**177,252**	180,653
Total Liquidity Resources	**$ 404,077**	$ 395,141

1. Liquidity Resources are presented as historically reported and have not been retrospectively adjusted to reflect the merger of the MSCS fixed income business into MSBNA and MSBNA's acquisition of MSESE in the first quarter of 2026, as the Firm assesses these measures based on the legal-entity structures in effect during the applicable period.

Liquidity Resources may fluctuate from period to period based on the overall size and composition of our balance sheet, the maturity profile of our unsecured debt, and estimates of funding needs in a stressed environment, among other factors.

Regulatory Liquidity Framework

Liquidity Coverage Ratio and Net Stable Funding Ratio

We and our U.S. Bank Subsidiaries are required to maintain a minimum LCR and NSFR of 100%.

The LCR rule requires large banking organizations to have sufficient Eligible HQLA to cover net cash outflows arising from significant stress over 30 calendar days, thus promoting the short-term resilience of the liquidity risk profile of banking organizations. In determining Eligible HQLA for LCR purposes, weightings (or asset haircuts) are applied to HQLA, and certain HQLA held in subsidiaries is excluded.

The NSFR rule requires large banking organizations to maintain an amount of available stable funding, which is their regulatory capital and liabilities subject to standardized weightings, equal to or greater than their required stable funding, which is their projected minimum funding needs, over a one-year time horizon.

As of June 30, 2026, we and our U.S. Bank Subsidiaries are compliant with the minimum LCR and NSFR requirements of 100%.

Liquidity Coverage Ratio

	Average Daily Balance Three Months Ended	
$ in millions	**June 30, 2026**	March 31, 2026
Eligible HQLA		
Cash deposits with central banks	**$ 70,863**	$ 71,216
Securities[1]	**248,302**	231,217
Total Eligible HQLA	**$ 319,165**	$ 302,433
Net cash outflows	**$ 246,717**	$ 232,364
LCR	**129 %**	130 %

1. Primarily includes U.S. Treasuries, U.S. agency mortgage-backed securities, sovereign bonds and investment grade corporate bonds.

Net Stable Funding Ratio

	Average Daily Balance Three Months Ended	
$ in millions	**June 30, 2026**	March 31, 2026
Available stable funding	**$ 787,900**	$ 745,258
Required stable funding	**679,382**	632,097
NSFR	**116 %**	118 %

Funding Management

We manage our funding in a manner that reduces the risk of disruption to our operations. We pursue a strategy of diversification of secured and unsecured funding sources (by product, investor and region) and attempt to ensure that the tenor of our liabilities equals or exceeds the expected holding period of the assets being financed. Our goal is to achieve an optimal mix of durable secured and unsecured financing.

We fund our balance sheet on a global basis through diverse sources. These sources include our equity capital, borrowings, bank notes, securities sold under agreements to repurchase, securities lending, deposits, letters of credit and lines of credit. We have active financing programs for both standard and structured products targeting global investors and currencies.

Treasury allocates interest expense to our businesses based on the tenor and interest rate profile of the assets being funded. Treasury similarly allocates interest income to businesses carrying deposit products and other liabilities across the businesses based on the characteristics of those deposits and other liabilities.

Secured Financing

For a discussion of our secured financing activities, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Funding Management—Secured Financing" in the 2025 Form 10-K.

Collateralized Financing Transactions

$ in millions	**At June 30, 2026**	At December 31, 2025
Securities purchased under agreements to resell and Securities borrowed	**$ 310,874**	$ 272,151
Securities sold under agreements to repurchase and Securities loaned	**$ 122,938**	$ 95,849
Securities received as collateral[1]	**$ 19,397**	$ 2,449

1. Included within Trading assets in the balance sheet.

	Average Daily Balance Three Months Ended	
$ in millions	**June 30, 2026**	December 31, 2025
Securities purchased under agreements to resell and Securities borrowed	**$ 297,500**	$ 255,202
Securities sold under agreements to repurchase and Securities loaned	**$ 128,329**	$ 90,397

See "Total Assets by Business Segment" herein for additional information on the assets shown in the previous table and Note 2 to the financial statements in the 2025 Form 10-K and Note 8 to the financial statements for additional information on collateralized financing transactions.

In addition to the collateralized financing transactions shown in the previous table, we engage in financing transactions collateralized by customer-owned securities, which are held in accordance with regulatory requirements. Receivables under these financing transactions, primarily margin loans, are included in Customer and other receivables in the balance sheet, and payables under these financing transactions, primarily to prime brokerage customers, are included in Customer and other payables in the balance sheet. Our risk exposure on these transactions is mitigated by collateral maintenance policies and the elements of our Liquidity Risk Management Framework.

Unsecured Financing

For a discussion of our unsecured financing activities, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Funding Management—Unsecured Financing" in the 2025 Form 10-K.

Deposits

$ in millions	At June 30, 2026	At December 31, 2025
Savings and demand deposits:		
Brokerage sweep deposits[1]	$ 148,859	$ 145,237
Savings and other	179,693	170,646
Total Savings and demand deposits	328,552	315,883
Time deposits[2]	117,516	99,640
Total[3]	**$ 446,068**	$ 415,523

1. Amounts represent balances swept from client brokerage accounts.
2. Our Time deposits are predominantly brokered certificates of deposit.
3. Our deposits are primarily held in U.S. offices.

Deposits are primarily sourced from our Wealth Management clients and are considered to have stable, low-cost funding characteristics relative to other sources of funding. Each category of deposits presented above has a different cost profile and clients may respond differently to changes in interest rates and other macroeconomic conditions. Total deposits in the current year period increased primarily due to increases in Time and Savings deposits.

Borrowings by Maturity at June 30, 2026[1]

$ in millions	Parent Company	Subsidiaries	Total
Original maturities of one year or less	$ —	$ 9,400	$ 9,400
Original maturities greater than one year			
2026	$ 7,933	$ 6,914	$ 14,847
2027	15,486	23,601	39,087
2028	15,948	29,177	45,125
2029	24,603	16,093	40,696
2030	23,666	19,937	43,603
Thereafter	136,080	63,718	199,798
Total greater than one year	$ 223,716	$ 159,440	$ 383,156
Total	$ 223,716	$ 168,840	$ 392,556
Maturities over next 12 months[2]			$ 34,304

1. Original maturity in the table is generally based on contractual final maturity. For borrowings with put options, maturity represents the earliest put date.
2. Includes only borrowings with original maturities greater than one year.

Borrowings of $393 billion as of June 30, 2026 increased compared with $349 billion at December 31, 2025, primarily due to non-bank issuances net of maturities and redemptions.

We believe that accessing debt investors through multiple distribution channels helps provide consistent access to the unsecured markets. In addition, the issuance of borrowings with original maturities greater than one year allows us to reduce reliance on short-term credit-sensitive instruments. Borrowings with original maturities greater than one year are generally managed to achieve staggered maturities, thereby mitigating refinancing risk, and to maximize investor diversification through sales to global institutional and retail clients across regions, currencies and product types.

The availability and cost of financing to us can vary depending on market conditions, the volume of certain trading and lending activities, our credit ratings and the overall availability of credit. We also engage in, and may continue to engage in, repurchases of our borrowings as part of our market-making activities.

For further information on Borrowings, see Note 12 to the financial statements.

Credit Ratings

We rely on external sources to finance a significant portion of our daily operations. Our credit ratings are one of the factors in the cost and availability of financing and can have an impact on certain trading revenues, particularly in those businesses where longer-term counterparty performance is a key consideration, such as certain OTC derivative transactions. When determining credit ratings, rating agencies consider both company-specific and industry-wide factors. See also "Risk Factors—Liquidity Risk" in the 2025 Form 10-K.

Parent Company and U.S. Bank Subsidiaries Issuer Ratings at July 31, 2026

	Parent Company		
	Short-Term Debt	Long-Term Debt	Rating Outlook
DBRS, Inc.	R-1 (middle)	AA (low)	Stable
Fitch Ratings, Inc.	F1	A+	Stable
Moody's Investors Service, Inc.	P-1	A1	Stable
Rating and Investment Information, Inc.	a-1	A+	Stable
S&P Global Ratings	A-2	A-	Stable

	MSBNA		
	Short-Term Debt	Long-Term Debt	Rating Outlook
Fitch Ratings, Inc.	F1+	AA	Stable
Moody's Investors Service, Inc.	P-1	Aa3	Stable
S&P Global Ratings	A-1	A+	Stable

	MSPBNA		
	Short-Term Debt	Long-Term Debt	Rating Outlook
Fitch Ratings, Inc.	F1+	AA	Stable
Moody's Investors Service, Inc.	P-1	Aa3	Stable
S&P Global Ratings	A-1	A+	Stable

Incremental Collateral or Terminating Payments

In connection with certain OTC derivatives and certain other agreements where we are a liquidity provider to certain financing vehicles associated with the Institutional Securities business segment, we may be required to provide additional collateral, immediately settle any outstanding liability balances with certain counterparties or pledge additional collateral to certain clearing organizations in the event of a future credit rating downgrade irrespective of whether we are in a net asset or net liability position. See Note 6 to the financial statements for additional information on OTC derivatives that contain such contingent features.

While certain aspects of a credit rating downgrade are quantifiable pursuant to contractual provisions, the impact it would have on our business and results of operations in future periods is inherently uncertain and would depend on a number of interrelated factors, including, among other things, the magnitude of the downgrade, the rating relative to peers, the rating assigned by the relevant agency before the downgrade, individual client behavior and future mitigating actions we might take. The liquidity impact of additional collateral requirements is included in our Liquidity Stress Tests.

Capital Management

We view capital as an important source of financial strength and actively manage our consolidated capital position based upon, among other things, business opportunities, risks, capital availability and rates of return together with internal capital policies, regulatory requirements, such as the SCB, and rating agency guidelines. In the future, we may expand or contract our capital base to address the changing needs of our businesses.

Common Stock Repurchases

	Three Months Ended June 30,		Six Months Ended June 30,	
in millions, except for per share data	**2026**	2025	**2026**	2025
Number of shares	**8**	8	**18**	16
Average price per share	**$ 197.64**	$ 123.22	**$ 181.21**	$ 124.54
Total	**$ 1,500**	$ 1,000	**$ 3,250**	$ 2,000

For additional information on our common stock repurchases, see Note 16 to the financial statements.

For a description of our capital plan, see "Liquidity and Capital Resources—Regulatory Requirements—Capital Plans, Stress Tests and the Stress Capital Buffer" herein.

Common Stock Dividend Announcement

Announcement date	July 15, 2026
Amount per share	$1.15
Date to be paid	August 14, 2026
Shareholders of record as of	July 31, 2026

For additional information on our common stock dividends, see "Liquidity and Capital Resources—Regulatory Requirements—Capital Plans, Stress Tests and the Stress Capital Buffer" herein.

For additional information on our common stock and information on our preferred stock, see Note 16 to the financial statements.

Off-Balance Sheet Arrangements

We enter into various off-balance sheet arrangements, including through unconsolidated SPEs and lending-related financial instruments (e.g., guarantees and commitments), primarily in connection with the Institutional Securities and Investment Management business segments.

We utilize SPEs primarily in connection with securitization activities. For information on our securitization activities, see Note 15 to the financial statements in the 2025 Form 10-K.

For information on our commitments, obligations under certain guarantee arrangements and indemnities, see Note 13 to the financial statements. For a further discussion of our lending commitments, see "Quantitative and Qualitative Disclosures about Risk—Credit Risk—Loans and Lending Commitments" herein.

Regulatory Requirements

Regulatory Capital Framework

We are a financial holding company ("FHC") under the Bank Holding Company Act of 1956, as amended and are subject to the regulation and oversight of the Board of Governors of the Federal Reserve System ("Federal Reserve"). The Federal Reserve establishes capital requirements for us, including "well-capitalized" standards, and evaluates our compliance with such capital requirements. The OCC establishes similar capital requirements and well-capitalized standards for our U.S. Bank Subsidiaries. The regulatory capital requirements are largely based on the Basel III capital standards established by the Basel Committee and on certain provisions of the Dodd-Frank Act. For us to remain an FHC, we must remain well-capitalized in accordance with standards established by the Federal Reserve, and our U.S. Bank Subsidiaries must remain well-capitalized in accordance with standards established by the OCC. In addition, many of our regulated subsidiaries are subject to regulatory capital requirements, including regulated subsidiaries registered as swap dealers with the CFTC or conditionally registered as security-based swap dealers with the SEC or registered as broker-dealers or futures commission merchants. For additional information on regulatory capital requirements for our U.S. Bank Subsidiaries, as well as our subsidiaries that are swap entities, see Note 15 to the financial statements.

Regulatory Capital Requirements

We are required to maintain minimum risk-based and leverage-based capital and TLAC ratios. For more information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Regulatory Capital Requirements" in the 2025 Form 10-K. For additional information on TLAC, see "Total Loss-Absorbing Capacity, Long-Term Debt and Clean Holding Company Requirements" herein.

Risk-Based Regulatory Capital. Risk-based capital ratio requirements apply to Common Equity Tier 1 ("CET1") capital, Tier 1 capital and Total capital (which includes Tier 2 capital), each as a percentage of RWA, and consist of regulatory minimum required ratios plus our capital conservation buffer requirement. Capital requirements require certain adjustments to, and deductions from, capital for purposes of determining these ratios.

Capital Buffer Requirements

	At June 30, 2026 and December 31, 2025	
	Standardized	Advanced
Capital buffers		
Fixed 2.5% buffer	**—%**	**2.5%**
SCB[1]	**4.3%**	**N/A**
G-SIB capital surcharge[2]	**3.0%**	**3.0%**
CCyB[3]	**—%**	**—%**
Capital conservation buffer requirement	**7.3%**	**5.5%**

1. For additional information on the SCB, see "Capital Plans, Stress Tests and the Stress Capital Buffer" herein and in the 2025 Form 10-K.
2. For a further discussion of the G-SIB capital surcharge, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Regulatory Requirements—G-SIB Capital Surcharge" in the 2025 Form 10-K.
3. The CCyB can be set up to 2.5%, but is currently set by the Federal Reserve at zero.

The capital conservation buffer requirement represents the amount of CET1 capital we must maintain above the minimum risk-based capital requirements in order to avoid restrictions on our ability to make capital distributions, including the payment of dividends and the repurchase of stock, and to pay discretionary bonuses to executive officers. Our capital conservation buffer requirement computed under the standardized approaches for calculating credit risk and market RWAs ("Standardized Approach") is equal to the sum of our SCB, G-SIB capital surcharge and CCyB, and our capital conservation buffer requirement computed under the applicable advanced approaches for calculating credit risk, market risk and operational risk RWAs ("Advanced Approach") is equal to the sum of a fixed 2.5% buffer, our G-SIB capital surcharge and CCyB.

	Regulatory Minimum	At June 30, 2026 and December 31, 2025	
		Standardized	Advanced
Required ratios[1]			
CET1 capital ratio	**4.5%**	**11.8%**	**10.0%**
Tier 1 capital ratio	**6.0%**	**13.3%**	**11.5%**
Total capital ratio	**8.0%**	**15.3%**	**13.5%**

1. Required ratios represent the regulatory minimum plus the capital conservation buffer requirement.

Our risk-based capital ratios are computed under each of (i) the Standardized Approach and (ii) the Advanced Approach. The credit risk RWA calculations between the two approaches differ in that the Standardized Approach requires calculation of RWA using prescribed risk weights and exposure methodologies, whereas the Advanced Approach utilizes models to calculate exposure amounts and risk weights. At June 30, 2026 and December 31, 2025, the differences between the actual and required ratios were lower under the Standardized Approach.

Leverage-Based Regulatory Capital. Leverage-based capital requirements include a minimum Tier 1 leverage ratio of 4%, a minimum SLR of 3% and an enhanced supplementary leverage ratio ("eSLR") capital buffer of at least 0.5%. As of January 1, 2026, the Firm and its U.S. Bank Subsidiaries elected to early adopt the final rulemaking on changes to the eSLR by the U.S. banking agencies. Under the final rule, the eSLR buffer applicable to U.S. G-SIBs equals 50% of each BHC's Method 1 G-SIB capital surcharge, which equates to 0.5% for the Firm, applied above the 3.0% minimum SLR requirement. For more information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Regulatory Developments and Other Matters—Final Rulemaking on Changes to the Enhanced Supplementary Leverage Ratio" in the 2025 Form 10-K.

Regulatory Capital Ratios

Risk-based capital

	Standardized		Advanced	
$ in millions	**At June 30, 2026**	At Dec 31, 2025	**At June 30, 2026**	At Dec 31, 2025
Risk-based capital				
CET1 capital	**$ 87,568**	$ 83,153	**$ 87,568**	$ 83,153
Tier 1 capital	**97,217**	92,728	**97,217**	92,728
Total capital	**108,916**	103,449	**108,243**	102,680
Total RWA	**589,397**	552,515	**539,839**	514,158
Risk-based capital ratios				
CET1 capital	**14.9%**	15.0%	**16.2%**	16.2%
Tier 1 capital	**16.5%**	16.8%	**18.0%**	18.0%
Total capital	**18.5%**	18.7%	**20.1%**	20.0%
Required ratios[1]				
CET1 capital	**11.8%**	11.8%	**10.0%**	10.0%
Tier 1 capital	**13.3%**	13.3%	**11.5%**	11.5%
Total capital	**15.3%**	15.3%	**13.5%**	13.5%

1. Required ratios are inclusive of any buffers applicable as of the date presented.

Leveraged-based capital

$ in millions	**At June 30, 2026**	At December 31, 2025
Leveraged-based capital		
Adjusted average assets[1]	**$ 1,608,012**	$ 1,383,314
Supplementary leverage exposure[2]	**1,970,884**	1,717,775
Leveraged-based capital ratios		
Tier 1 leverage	**6.0%**	6.7%
SLR	**4.9%**	5.4%
Required ratios[3]		
Tier 1 leverage	**4.0%**	4.0%
SLR	**3.5%**	5.0%

1. Adjusted average assets represents the denominator of the Tier 1 leverage ratio and is composed of the average daily balance of consolidated on-balance sheet assets for the quarters ending on the respective balance sheet dates, reduced by disallowed goodwill, intangible assets, investments in covered funds, defined benefit pension plan assets, non-cash after-tax gain on sale from assets sold into securitizations, investments in our own capital instruments, certain deferred tax assets and other capital deductions.
2. Supplementary leverage exposure is the sum of Adjusted average assets used in the Tier 1 leverage ratio and other adjustments, primarily: (i) for derivatives, potential future exposure and the effective notional principal amount of sold credit protection offset by qualifying purchased credit protection; (ii) the counterparty credit risk for repo-style transactions; and (iii) the credit equivalent amount for off-balance sheet exposures.
3. Required ratios are inclusive of any buffers applicable as of the date presented.

Regulatory Capital

$ in millions	At June 30, 2026	At December 31, 2025	Change
CET1 capital			
Common shareholders' equity	**$ 106,579**	$ 101,882	**$ 4,697**
Regulatory adjustments and deductions:			
Net goodwill	**(16,731)**	(16,373)	**(358)**
Net intangible assets	**(4,549)**	(4,663)	**114**
Other adjustments and deductions[1]	**2,269**	2,307	**(38)**
Total CET1 capital	**$ 87,568**	$ 83,153	**$ 4,415**
Additional Tier 1 capital			
Preferred stock	**$ 9,750**	$ 9,750	**$ —**
Noncontrolling interests	**866**	823	**43**
Additional Tier 1 capital	**$ 10,616**	$ 10,573	**$ 43**
Deduction for investments in covered funds	**(967)**	(998)	**31**
Total Tier 1 capital	**$ 97,217**	$ 92,728	**$ 4,489**
Standardized Tier 2 capital			
Subordinated debt	**$ 9,326**	$ 8,380	**$ 946**
Eligible ACL	**2,511**	2,411	**100**
Other adjustments and deductions	**(138)**	(70)	**(68)**
Total Standardized Tier 2 capital	**$ 11,699**	$ 10,721	**$ 978**
Total Standardized capital	**$ 108,916**	$ 103,449	**$ 5,467**
Advanced Tier 2 capital			
Subordinated debt	**$ 9,326**	$ 8,380	**$ 946**
Eligible credit reserves	**1,838**	1,642	**196**
Other adjustments and deductions	**(138)**	(70)	**(68)**
Total Advanced Tier 2 capital	**$ 11,026**	$ 9,952	**$ 1,074**
Total Advanced capital	**$ 108,243**	$ 102,680	**$ 5,563**

1. Other adjustments and deductions used in the calculation of CET1 capital primarily includes net after-tax DVA, the credit spread premium over risk-free rate for derivative liabilities, defined benefit pension plan assets, non-cash after-tax gain on sale from assets sold into securitizations, investments in our own capital instruments and certain deferred tax assets.

RWA Rollforward

$ in millions	Six Months Ended June 30, 2026 Standardized	Advanced
Credit risk RWA		
Balance at December 31, 2025	$ 493,206	$ 349,930
Change related to the following items:		
Derivatives	**7,087**	**3,492**
Securities financing transactions	**8,107**	**(656)**
Investment securities	**(170)**	**(1,518)**
Commitments, guarantees and loans	**10,979**	**14,589**
Equity investments	**476**	**1,723**
Other credit risk	**8,468**	**6,257**
Total change in credit risk RWA	**$ 34,947**	**$ 23,887**
Balance at June 30, 2026	**$ 528,153**	**$ 373,817**
Market risk RWA		
Balance at December 31, 2025	$ 59,309	$ 59,345
Change related to the following items:		
Regulatory VaR	**888**	**888**
Regulatory stressed VaR	**1,527**	**1,527**
Incremental risk charge	**110**	**110**
Comprehensive risk measure	**448**	**650**
Specific risk	**(1,038)**	**(1,219)**
Total change in market risk RWA	**$ 1,935**	**$ 1,956**
Balance at June 30, 2026	**$ 61,244**	**$ 61,301**
Operational risk RWA		
Balance at December 31, 2025	N/A	$ 104,883
Change in operational risk RWA	**N/A**	**(162)**
Balance at June 30, 2026	**N/A**	**$ 104,721**
Total RWA	**$ 589,397**	**$ 539,839**

Regulatory VaR—VaR for regulatory capital requirements

In the current year period, Credit risk RWA increased under both the Standardized and Advanced Approaches. Under the Standardized Approach, the increase was primarily due to higher Commitments, guarantees and loans, Securities financing transactions, Other credit risk and Derivatives exposures, particularly in equities. Under the Advanced Approach, the increase was primarily due to higher Commitments, guarantees and loans and Other credit risk.

Market risk RWA increased in the current year period under both the Standardized and Advanced Approaches, primarily driven by higher Regulatory stressed VaR and Regulatory VaR, partially offset by Specific Risk due to securitization standardized charges.

Operational risk RWA in the current year period remained relatively unchanged.

Total Loss-Absorbing Capacity, Long-Term Debt and Clean Holding Company Requirements

The Federal Reserve has established external TLAC, long-term debt ("LTD") and clean holding company requirements for top-tier BHCs of U.S. G-SIBs ("covered BHCs"), including the Parent Company. These requirements are designed to ensure that covered BHCs will have enough loss-absorbing resources at the point of failure to be recapitalized through the conversion of eligible LTD to equity or otherwise by imposing losses on eligible LTD or other forms of TLAC where an SPOE resolution strategy is used.

Required and Actual TLAC and Eligible LTD Ratios

$ in millions	Regulatory Minimum	Required Ratio[1]	Actual Amount/Ratio At June 30, 2026	Actual Amount/Ratio At December 31, 2025
External TLAC[2]			$ 309,006	$ 284,259
External TLAC as a % of RWA	18.0%	21.5%	52.4%	51.4%
External TLAC as a % of leverage exposure[4]	7.5%	8.0%	15.7%	16.5%
Eligible LTD[3]			$ 204,872	$ 181,401
Eligible LTD as a % of RWA	9.0%	9.0%	34.8%	32.8%
Eligible LTD as a % of leverage exposure[4]	3.0%	3.0%	10.4%	10.6%

1. Required ratios are inclusive of applicable buffers.
2. External TLAC consists of CET1 capital and Additional Tier 1 capital (each excluding any noncontrolling minority interests), as well as eligible LTD.
3. Consists of TLAC-eligible LTD reduced by 50% for amounts of unpaid principal due to be paid in more than one year but less than two years from each respective balance sheet date.
4. As of December 31, 2025, the required ratio for External TLAC as a percentage of leverage exposure was 9.5%, and the regulatory minimum and required ratio for Eligible LTD as a percentage of leverage exposure was 4.5%.

We are in compliance with all TLAC requirements as of June 30, 2026 and December 31, 2025.

For a further discussion of TLAC and related requirements, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Regulatory Requirements—Total Loss-Absorbing Capacity, Long-Term Debt and Clean Holding Company Requirements" in the 2025 Form 10-K.

Capital Plans, Stress Tests and the Stress Capital Buffer

The Federal Reserve has capital planning and stress test requirements for large BHCs, which form part of the Federal Reserve's annual CCAR framework.

We must submit, on at least an annual basis, a capital plan to the Federal Reserve, taking into account the results of separate annual stress tests designed by us and the Federal Reserve, so that the Federal Reserve may assess our systems and processes that incorporate forward-looking projections of revenues and losses to monitor and maintain our internal capital adequacy.

During 2026, as insured depository institutions ("IDIs") with less than $250 billion of average total assets over the four most recent consecutive quarters through March 31, 2025, our U.S. Bank Subsidiaries are not subject to company-run stress test regulatory requirements by the OCC. Beginning in 2027, based on its average total assets over the four most recent consecutive quarters through March 31, 2026, MSBNA will become subject to company-run stress test regulatory requirements.

As part of its annual capital supervisory stress testing process, the Federal Reserve determines an SCB for each large BHC, including us.

In 2025, the Federal Reserve proposed revisions to the SCB, CCAR and supervisory stress testing frameworks. While those proposals are under review, the Firm remains subject to its current SCB requirement of 4.3% through October 1, 2027, at which time a new SCB requirement may apply based on the results of the supervisory stress test conducted in 2027. Together with other features of the regulatory capital framework, this SCB resulted in an aggregate Standardized Approach CET1 required ratio of 11.8%. See "Regulatory Developments and Other Matters—Proposed Changes to Capital Requirements" and "Regulatory Developments and Other Matters—Supervisory Stress Testing" herein.

For the 2026 capital planning and stress test cycle, we submitted our capital plan and company-run stress test results to the Federal Reserve on April 6, 2026. On June 24, 2026, the Federal Reserve published summary results of its supervisory stress tests of each large BHC, which do not impact firms' SCB requirements. We also disclosed a summary of the results of our company-run stress tests on our Investor Relations website and increased our quarterly common stock dividend to $1.15 per share from $1.00, beginning with the common stock dividend announced on July 15, 2026.

For additional information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Regulatory Requirements—Capital Plans, Stress Tests and the Stress Capital Buffer" in the 2025 Form 10-K.

Attribution of Average Common Equity According to the Required Capital Framework

Our required capital ("Required Capital") estimation is based on the Required Capital framework, an internal capital adequacy measure. Common equity attribution to the business segments is based on capital usage calculated under the Required Capital framework, as well as each business segment's relative contribution to our total Required Capital.

The Required Capital framework is a risk-based and leverage-based capital measure, which is compared with our regulatory capital to ensure that we maintain an amount of going concern capital after absorbing potential losses from stress events, where applicable, at a point in time. The amount of capital allocated to the business segments is generally set at the beginning of each year and remains fixed throughout the year until the next annual reset unless a significant business change occurs (*e.g.*, acquisition or disposition). We define the difference between our total average common equity and the sum of the average common equity amounts allocated to our business segments as Parent Company common equity. We generally hold Parent Company common equity for prospective regulatory requirements, organic growth, potential future acquisitions and other capital needs.

Average Common Equity Attribution under the Required Capital Framework[1]

	Three Months Ended June 30,		Six Months Ended June 30,	
$ in billions	**2026**	2025	**2026**	2025
Institutional Securities	**$ 48.2**	$ 48.4	**$ 48.2**	$ 48.4
Wealth Management	**28.7**	29.4	**28.7**	29.4
Investment Management	**10.2**	10.6	**10.2**	10.6
Parent Company	**17.8**	9.1	**16.7**	8.0
Total	**$ 104.9**	$ 97.5	**$ 103.8**	$ 96.4

1. The attribution of average common equity to the business segments is a non-GAAP financial measure. See "Selected Non-GAAP Financial Information" herein.

We continue to evaluate our Required Capital framework with respect to the impact of evolving regulatory requirements, as appropriate.

Resolution and Recovery Planning

We are required to submit once every two years to the Federal Reserve and the FDIC a resolution plan that describes our strategy for a rapid and orderly resolution under the U.S. Bankruptcy Code in the event of our material financial distress or failure. We submitted our 2025 targeted resolution plan on June 30, 2025. In May 2026, we received joint feedback on our 2025 targeted resolution plan from the agencies, with no shortcomings or deficiencies identified.

As described in our most recent resolution plan, our preferred resolution strategy is an SPOE strategy, which would impose losses on the holders of eligible LTD and other forms of eligible TLAC issued by the Parent Company before any losses are imposed on creditors of our supported entities and without requiring taxpayer or government financial support.

For more information about resolution and recovery planning requirements and our activities in these areas, including the implications of such activities in a resolution scenario, see "Business—Supervision and Regulation—Financial Holding Company—Resolution and Recovery Planning," "Risk Factors—Legal, Regulatory and Compliance Risk" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Regulatory Requirements—Resolution and Recovery Planning" in the 2025 Form 10-K.

Regulatory Developments and Other Matters

Proposed Changes to Capital Requirements

On April 17, 2025, the Federal Reserve proposed revisions to the SCB and CCAR frameworks applicable to us, aimed at reducing the volatility of the capital requirements stemming from the Federal Reserve's annual stress test results. Under the proposal, our SCB would be based, in part, on the average of the post-stress capital decline embedded in the Federal Reserve's stress test results over two consecutive years. Additionally, the proposal would shift the annual effective date of the revised SCB from October 1 to January 1 of the following year and modify certain elements of the Federal Reserve's CCAR program.

Supervisory Stress Testing

On October 24, 2025, the Federal Reserve proposed revisions to its supervisory stress testing framework through two related proposals. The first proposal would modify the timeline and operation of the annual supervisory stress test, including through revisions to the Federal Reserve's supervisory stress testing policy statements, and solicits comment on the Federal Reserve's supervisory stress testing models. The second proposal solicited comment on the Federal Reserve's proposed scenarios for the 2026 supervisory stress test. On February 4, 2026, the Federal Reserve finalized the second proposal, and in addition announced that it expects the Firm will continue to be subject to its current SCB requirement of 4.3% until October 1, 2027. We continue to monitor developments related to the open proposal.

Basel III Proposal

On March 19, 2026, the U.S. banking agencies proposed revisions to risk-based capital and related standards applicable to Category I and II banking organizations, including us and our U.S. Bank Subsidiaries ("Basel III Proposal"). The Basel III Proposal would introduce a new measure of RWAs known as "Expanded Total RWAs" (the "Expanded Approach"), reflecting new RWA methodologies that generally align with changes to the global Basel Accord adopted by the Basel Committee. The Basel III Proposal would eliminate the current capital rule's Advanced Approach and require Category I and II banking organizations to calculate RWAs only under the Expanded Approach, with the Standardized Approach retained for smaller banking organizations. As compared with the Standardized Approach, the Expanded Approach includes more granular risk weights for credit risk and introduces a new market risk framework. In addition, unlike the Standardized Approach, the Expanded Approach includes operational risk and credit valuation adjustment RWA components.

The Basel III Proposal would apply the SCB and G-SIB Surcharge to risk-based capital requirements calculated under the Expanded Approach. The effective date of the Basel III Proposal is unspecified in the Basel III Proposal. We continue to evaluate the Basel III Proposal and its potential impacts on our capital requirements and our Required Capital Framework, which will depend in part on related changes to the Federal Reserve's supervisory stress testing framework and its related proposed rulemaking to revise the G-SIB Surcharge.

G-SIB Surcharge Proposal

On March 19, 2026, the Federal Reserve proposed revisions to the G-SIB Surcharge framework applicable to us ("G-SIB Surcharge Proposal"). The G-SIB Surcharge Proposal would modify Method 2 by adjusting the calculation and weighting of the short-term wholesale funding component and, for other systemic indicators, introducing a one-time downward adjustment. All Method 2 systemic indicators would be indexed in the future to nominal U.S. GDP. In addition, for Method 2, the G-SIB Surcharge Proposal would require measurement of most systemic indicators based on the annual average of daily or monthly values and would revise the resulting G-SIB Surcharge from 0.5-percentage point increments to 0.1-percentage point increments. The G-SIB Surcharge Proposal would also result in corresponding technical changes to Method 1 G-SIB surcharge requirements. The G-SIB Surcharge Proposal includes a proposed effective date two calendar quarters after the date of adoption of a final rule by the Federal Reserve and new surcharges calculated under the revised methodology would take effect at a later date. We continue to evaluate the G-SIB Surcharge Proposal and the potential impacts, if adopted, on our capital requirements and our Required Capital Framework.

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Quantitative and Qualitative Disclosures about Risk

Management believes effective risk management is vital to the success of our business activities. For a discussion of our Enterprise Risk Management framework and risk management functions, see "Quantitative and Qualitative Disclosures about Risk—Risk Management" in the 2025 Form 10-K.

Market Risk

Market risk refers to the risk that a change in the level of one or more market prices, rates, spreads, indices, volatilities, correlations or other market factors, such as market liquidity, will result in losses for a position or portfolio. Generally, we incur market risk as a result of trading, investing and client facilitation activities, principally within the Institutional Securities business segment where the substantial majority of our VaR for market risk exposures is generated. In addition, we incur non-trading market risk, principally within the Wealth Management and Investment Management business segments. The Wealth Management business segment primarily incurs non-trading market risk (including interest rate risk) from lending and deposit-taking activities. The Investment Management business segment primarily incurs non-trading market risk from capital investments in its funds. For a further discussion of market risk, see "Quantitative and Qualitative Disclosures about Risk—Market Risk" in the 2025 Form 10-K.

Trading Risks

We have exposures to a wide range of risks related to interest rates and credit spreads, equity prices, foreign exchange rates and commodity prices as well as the associated implied volatilities, correlations and spreads of the global markets in which we conduct our trading activities.

The statistical technique known as VaR is one of the tools we use to measure, monitor and review the market risk exposures of our trading portfolios.

For information regarding our primary risk exposures and market risk management, VaR methodology, assumptions and limitations, see "Quantitative and Qualitative Disclosures about Risk—Market Risk—Trading Risks" in the 2025 Form 10-K.

95%/One-Day Management VaR for the Trading Portfolio

	Three Months Ended **June 30, 2026**			
$ in millions	Period End	Average	High[1]	Low[1]
Interest rate and credit spread	**$ 29**	**$ 33**	**$ 40**	**$ 26**
Equity price	**37**	**31**	**37**	**25**
Foreign exchange rate	**10**	**11**	**20**	**6**
Commodity price	**22**	**24**	**34**	**17**
Less: Diversification benefit[2]	**(47)**	**(49)**	**N/A**	**N/A**
Primary Risk Categories	**$ 51**	**$ 50**	**$ 57**	**$ 45**
Credit portfolio	**20**	**19**	**21**	**17**
Less: Diversification benefit[2]	**(17)**	**(13)**	**N/A**	**N/A**
Total Management VaR	**$ 54**	**$ 56**	**$ 66**	**$ 51**

	Three Months Ended March 31, 2026			
$ in millions	Period End	Average	High[1]	Low[1]
Interest rate and credit spread	$ 38	$ 32	$ 42	$ 23
Equity price	37	34	45	30
Foreign exchange rate	13	11	20	5
Commodity price	20	18	27	12
Less: Diversification benefit[2]	(47)	(47)	N/A	N/A
Primary Risk Categories	$ 61	$ 48	$ 68	$ 39
Credit portfolio	19	16	23	13
Less: Diversification benefit[2]	(12)	(11)	N/A	N/A
Total Management VaR	$ 68	$ 53	$ 74	$ 43

1. The high and low VaR values for the Total Management VaR and each of the component VaRs might have occurred on different days during the quarter, and, therefore, the diversification benefit is not an applicable measure.
2. Diversification benefit equals the difference between the total VaR and the sum of the component VaRs. This benefit arises because the simulated one-day losses for each of the components occur on different days. Similar diversification benefits are also taken into account within each component.

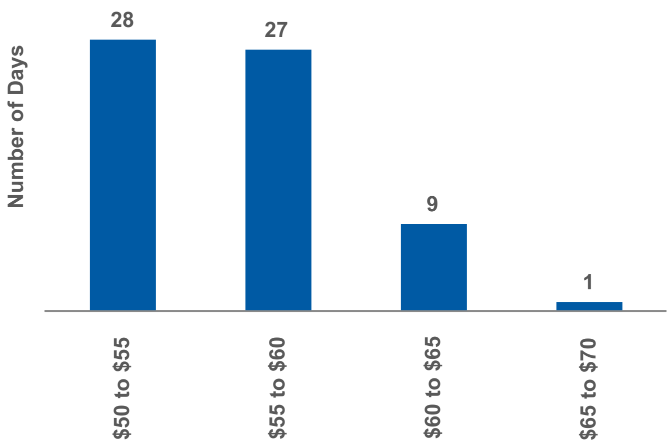
Average Total Management VaR for the Primary Risk Categories was relatively unchanged from the three months ended March 31, 2026. Period-end Total Management VaR for the Primary Risk Categories decreased from March 31, 2026, primarily driven by reduced exposures in the interest rate and credit spread category.

Distribution of VaR Statistics and Net Revenues

We evaluate the reasonableness of our VaR model by comparing the potential declines in portfolio values generated by the model with corresponding actual trading results for the Firm, as well as individual business units. For days where losses exceed the VaR statistic, we examine the drivers of trading losses to evaluate the VaR model's accuracy. There were no trading loss days in the current quarter.

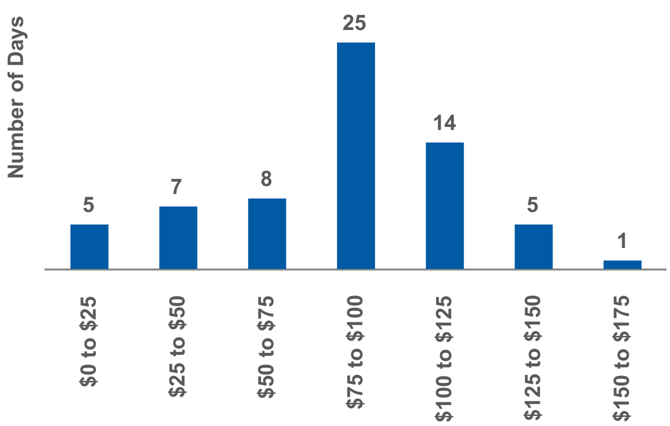
Daily 95%/One-Day Total Management VaR for the Current Quarter

($ in millions)



Daily Net Trading Revenues for the Current Quarter

($ in millions)



Daily net trading revenues include profits and losses from Interest rate and credit spread, Equity price, Foreign exchange rate, Commodity price, and Credit portfolio positions and intraday trading activities for our trading businesses. Certain items such as fees, commissions, net interest income and counterparty default risk are excluded from daily net trading revenues and the VaR model. Revenues required for Regulatory VaR backtesting further exclude intraday trading.

Non-Trading Risks

We believe that sensitivity analysis is an appropriate representation of our non-trading risks. The following sensitivity analyses cover substantially all of the non-trading market risk in our portfolio.

Credit Spread Risk Sensitivity[1]

$ in millions	**At June 30, 2026**	At March 31, 2026
Derivatives	**$ 5**	$ 5
Borrowings and Deposits carried at fair value	**61**	58

1. Amounts represent the potential gain for each 1 bps widening of our credit spread.

Wealth Management Net Interest Income Sensitivity Analysis

$ in millions	**At June 30, 2026**	At March 31, 2026
Basis point change		
+200	**$ 413**	$ 408
+100	**202**	198
-100	**(224)**	(229)
-200	**(515)**	(502)

The Wealth Management business segment reflects a substantial portion of our non-trading interest rate risk. Net interest income in the Wealth Management business segment primarily consists of interest income earned on non-trading assets held, including loans and investment securities, as well as margin and other lending on non-bank entities and interest expense incurred on non-trading liabilities, primarily deposits.

The previous table presents an analysis of selected instantaneous upward and downward parallel interest rate shocks (subject to a floor of zero percent in the downward scenario) on net interest income over the next 12 months for our Wealth Management business segment. These shocks are applied to our 12-month forecast for our Wealth Management business segment, which incorporates market expectations of interest rates and our forecasted balance sheet and business activity. The forecast includes modeled prepayment behavior, reinvestment of net cash flows from maturing assets and liabilities, and deposit pricing sensitivity to interest rates. These key assumptions are updated periodically based on historical data and future expectations.

We do not manage to any single rate scenario but rather manage net interest income in our Wealth Management business segment across a range of possible outcomes, including non-parallel rate change scenarios. The sensitivity analysis assumes that we take no action in response to these scenarios, assumes there are no changes in other macroeconomic variables normally correlated with changes in interest rates and includes subjective assumptions regarding customer and market re-pricing behavior and other factors.

Our Wealth Management business segment balance sheet is asset sensitive, given assets reprice faster than liabilities, resulting in higher net interest income in higher interest rate scenarios and lower net interest income in lower interest rate scenarios. The level of interest rates may impact the amount of deposits held at the Firm, given competition for deposits from other institutions and alternative cash-equivalent products available to depositors. Further, the level of interest rates could also impact client demand for loans.

Net interest income sensitivity to interest rates at June 30, 2026 was relatively unchanged from March 31, 2026.

Investments Sensitivity, Including Related Carried Interest

	Loss from 10% Decline	
$ in millions	**At June 30, 2026**	At March 31, 2026
Investments related to Investment Management activities	**$ 622**	$ 647
Other investments:		
MUMSS	**128**	132
Other Firm investments	**499**	494

We have exposure to public and private companies through direct investments, as well as through funds that invest in these assets. These investments are predominantly equity positions with long investment horizons, a portion of which is for business facilitation purposes. The market risk related to these investments is measured by estimating the potential reduction in net revenues associated with a reasonably possible 10% decline in investment values and related impact on performance-based income, as applicable. The measures reflected in the table above do not reflect the effect of any economic hedges or diversification that may reduce the risk of loss.

Asset Management Revenue Sensitivity

Certain asset management revenues in the Wealth Management and Investment Management business segments are derived from management fees, which are based on fee-based client assets in Wealth Management or AUM in Investment Management (together, "client holdings"). The assets underlying client holdings are primarily composed of equity, fixed income and alternative investments and are sensitive to changes in related markets. These revenues depend on multiple factors including, but not limited to, the level and duration of a market increase or decline, price volatility, the geographic and industry mix of client assets, and client behavior such as the rate and magnitude of client investments and redemptions. Therefore, overall revenues may not correlate completely with changes in the related markets.

Credit Risk

Credit risk refers to the risk of loss arising when a borrower, counterparty or issuer does not meet its financial obligations to us. We are primarily exposed to credit risk from institutions and individuals through our Institutional Securities and Wealth Management business segments. For a further discussion of our credit risks, see "Quantitative and Qualitative Disclosures about Risk—Credit Risk" in the 2025 Form 10-K.

Loans and Lending Commitments

	At June 30, 2026			
$ in millions	HFI	HFS	FVO[1]	Total
Institutional Securities:				
Corporate	**$ 8,955**	**$ 10,880**	**$ —**	**$ 19,835**
Secured lending facilities	**73,537**	**1,920**	**—**	**75,457**
Commercial and Residential real estate	**7,878**	**179**	**6,471**	**14,528**
Securities-based lending and Other	**4,163**	**32**	**6,434**	**10,629**
Total Institutional Securities	**94,533**	**13,011**	**12,905**	**120,449**
Wealth Management:				
Residential real estate	**75,627**	**5**	**—**	**75,632**
Securities-based lending and Other	**120,403**	**41**	**—**	**120,444**
Total Wealth Management	**196,030**	**46**	**—**	**196,076**
Total Investment Management[2]	**3**	**—**	**373**	**376**
Total loans	**290,566**	**13,057**	**13,278**	**316,901**
ACL	**(1,248)**			**(1,248)**
Total loans, net of ACL	**$289,318**	**$ 13,057**	**$13,278**	**$ 315,653**
Lending commitments[3]	**$179,115**	**$ 46,518**	**$ 800**	**$ 226,433**
Total exposure	**$468,433**	**$ 59,575**	**$14,078**	**$ 542,086**

	At December 31, 2025			
$ in millions	HFI	HFS	FVO[1]	Total
Institutional Securities:				
Corporate	$ 7,277	$ 7,202	$ —	$ 14,479
Secured lending facilities	69,149	1,817	—	70,966
Commercial and Residential real estate	8,039	320	3,949	12,308
Securities-based lending and Other	3,780	30	6,904	10,714
Total Institutional Securities	88,245	9,369	10,853	108,467
Wealth Management:				
Residential real estate	72,403	5	—	72,408
Securities-based lending and Other	109,201	—	—	109,201
Total Wealth Management	181,604	5	—	181,609
Total Investment Management[2]	3	—	91	94
Total loans	269,852	9,374	10,944	290,170
ACL	(1,132)			(1,132)
Total loans, net of ACL	$268,720	$ 9,374	$10,944	$ 289,038
Lending commitments[3]	$166,989	$ 41,445	$ 732	$ 209,166
Total exposure	$435,709	$ 50,819	$11,676	$ 498,204

Total exposure—consists of Total loans, net of ACL, and Lending commitments

1. FVO includes the fair value of certain unfunded lending commitments.
2. Investment Management business segment loans are related to certain of our activities as an investment adviser and manager. Loans held at fair value are the result of the consolidation of investment vehicles (including CLOs) managed by Investment Management, composed primarily of senior secured loans to corporations.
3. Lending commitments represent the notional amount of legally binding obligations to provide funding to clients for lending transactions. Since commitments associated with these business activities may expire unused or may not be utilized to full capacity, they do not necessarily reflect the actual future cash funding requirements.

We provide loans and lending commitments to a variety of customers, including large corporate and institutional clients, as well as high to ultra-high net worth individuals. In addition, we purchase loans in the secondary market. Loans and lending commitments are either held for investment, held for sale or carried at fair value. For more information on these loan classifications, see Note 2 to the financial statements in the 2025 Form 10-K.

Total loans and lending commitments increased by approximately $44 billion since December 31, 2025, primarily due to growth in corporate relationship lending and secured lending facilities within the Institutional Securities business segment and an increase in securities-based loans within the Wealth Management business segment.

See Notes 4, 5, 9 and 13 to the financial statements for further information.

Allowance for Credit Losses—Loans and Lending Commitments

$ in millions	Three Months Ended June 30, 2026	Six Months Ended June 30, 2026
ACL—Loans		
Beginning balance	$ 1,174	$ 1,132
Gross charge-offs	**(35)**	**(72)**
Recoveries	**2**	**2**
Net (charge-offs)/recoveries	**(33)**	**(70)**
Provision for credit losses	**110**	**192**
Other	**(3)**	**(6)**
Ending balance	**$ 1,248**	**$ 1,248**
ACL—Lending commitments		
Beginning balance	$ 807	$ 798
Provision for credit losses	**(12)**	**4**
Other	**(3)**	**(10)**
Ending balance	**$ 792**	**$ 792**
Total ending balance	**$ 2,040**	**$ 2,040**

Provision for Credit Losses by Business Segment

	Three Months Ended June 30, 2026			Six Months Ended June 30, 2026		
$ in millions	IS	WM	Total	IS	WM	Total
Loans	**$ 82**	**$ 28**	**$ 110**	**$ 158**	**$ 34**	**$ 192**
Lending commitments	**(11)**	**(1)**	**(12)**	**5**	**(1)**	**4**
Total	**$ 71**	**$ 27**	**$ 98**	**$ 163**	**$ 33**	**$ 196**

Credit exposure arising from our loans and lending commitments is measured in accordance with our internal risk management standards. Risk factors considered in determining the allowance for credit losses for loans and lending commitments include the borrower's financial condition, industry, facility structure, LTV ratio, debt service ratio, collateral and covenants. Qualitative and environmental factors such as economic and business conditions, nature and volume of the portfolio and lending terms, and volume and severity of past due loans may also be considered.

The allowance for credit losses for loans and lending commitments increased since December 31, 2025, primarily related to certain specific commercial real estate and corporate loans and portfolio growth in corporate loans and secured lending facilities. Charge-offs in the current year period were primarily related to corporate and commercial real estate loans.

The base scenario used in our ACL models as of June 30, 2026 was generated using a combination of consensus economic forecasts, forward rates, and internally developed and validated models. Our ACL models incorporate key macroeconomic variables, including U.S. real GDP growth rate with the base scenario for the current quarter incorporating expectations of continued economic growth consistent with our prior quarter forecast. Other key macroeconomic variables used in our ACL models include corporate credit spreads, interest rates and commercial real estate indices. The significance of these key macroeconomic variables on our ACL models varies depending on portfolio composition and economic conditions. We also considered macroeconomic uncertainty in determining the aggregate allowance for credit losses for the current quarter. See Note 2 to the financial statements in the 2025 Form 10-K.

Forecasted U.S. Real GDP Growth Rates in Base Scenario

	4Q 2026	4Q 2027
Year-over-year growth rate	**1.9 %**	**2.1 %**

Status of Loans Held for Investment

	At June 30, 2026		At December 31, 2025	
	IS	WM	IS	WM
Accrual	**99.3%**	**99.8%**	99.2%	99.8%
Nonaccrual[1]	**0.7%**	**0.2%**	0.8%	0.2%

1. Nonaccrual loans are loans where principal or interest is not expected when contractually due or are past due 90 days or more unless the obligation is well-secured and is in the process of collection.

Net Charge-off Ratios for Loans Held for Investment

	Three Months Ended June 30,			
	2026		2025	
$ in millions	Net Charge-off Ratio[1]	Average Loans	Net Charge-off Ratio[1]	Average Loans
Corporate	**0.31 %**	**$ 9,327**	— %	$ 7,998
Secured Lending Facilities	**— %**	**71,563**	— %	54,596
Commercial Real Estate	**0.05 %**	**8,004**	0.22 %	8,598
Residential Real Estate	**— %**	**74,426**	— %	68,304
SBL and Other	**— %**	**121,833**	— %	101,784
Total	**0.01 %**	**$ 285,153**	0.01 %	$ 241,280

	Six Months Ended June 30,			
	2026		2025	
$ in millions	Net Charge-off Ratio[1]	Average Loans	Net Charge-off Ratio[1]	Average Loans
Corporate	0.51 %	$ 8,766	— %	$ 7,585
Secured Lending Facilities	— %	70,440	— %	52,614
Commercial Real Estate	0.19 %	8,058	0.49 %	8,536
Residential Real Estate	— %	73,634	— %	67,700
SBL and Other	0.01 %	118,238	— %	99,495
Total	0.03 %	$ 279,136	0.02 %	$ 235,930

SBL—Securities-based lending

1. Net charge-off ratio represents gross charge-offs net of recoveries divided by total average loans held for investment before ACL.

Institutional Securities Lending Activities

Institutional Securities Loans and Lending Commitments[1]

	At June 30, 2026				
	Contractual Years to Maturity				
$ in millions	<1	1-5	5-15	>15	Total
Loans					
AA	$ 262	$ 369	$ 36	$ —	$ 667
A	868	1,457	182	—	2,507
BBB	6,660	20,520	781	366	28,327
BB	14,015	39,595	4,082	467	58,159
Other NIG	4,708	14,862	2,854	208	22,632
Unrated[2]	104	1,511	859	4,823	7,297
Total loans, net of ACL	26,617	78,314	8,794	5,864	119,589
Lending commitments					
AAA	—	75	—	—	75
AA	3,416	5,952	275	—	9,643
A	10,853	30,439	545	—	41,837
BBB	9,339	69,576	2,384	178	81,477
BB	5,691	33,192	2,544	1,718	43,145
Other NIG	1,124	23,932	4,083	30	29,169
Unrated[2]	18	147	5	1	171
Total lending commitments	30,441	163,313	9,836	1,927	205,517
Total exposure	$57,058	$241,627	$18,630	$7,791	$325,106

	At December 31, 2025				
	Contractual Years to Maturity				
$ in millions	<1	1-5	5-15	>15	Total
Loans					
AA	$ 2	$ 163	$ —	$ —	$ 165
A	989	1,159	158	—	2,306
BBB	3,872	17,798	967	429	23,066
BB	9,948	40,450	2,668	413	53,479
Other NIG	5,288	12,931	3,965	153	22,337
Unrated[2]	212	1,587	955	3,596	6,350
Total loans, net of ACL	20,311	74,088	8,713	4,591	107,703
Lending commitments					
AAA	—	75	—	—	75
AA	3,795	5,024	275	—	9,094
A	11,952	29,626	983	—	42,561
BBB	9,721	61,325	2,138	148	73,332
BB	2,676	30,373	3,492	1,551	38,092
Other NIG	868	21,087	3,651	3	25,609
Unrated[2]	20	88	8	1	117
Total lending commitments	29,032	147,598	10,547	1,703	188,880
Total exposure	$49,343	$221,686	$19,260	$6,294	$296,583

NIG–Non-investment grade

1. Counterparty credit ratings are internally determined by the CRM.
2. Unrated loans and lending commitments are primarily trading positions that are measured at fair value and risk-managed as a component of market risk. For a further discussion of our market risk, see “Quantitative and Qualitative Disclosures about Risk—Market Risk” herein.

Institutional Securities Loans and Lending Commitments by Industry

$ in millions	At June 30, 2026	At December 31, 2025
Industry		
Financials	$ 89,866	$ 83,193
Real estate	56,920	50,923
Industrials	27,003	20,952
Communications Services	22,213	21,292
Information Technology	21,083	17,252
Healthcare	17,940	21,725
Consumer Staples	17,820	16,851
Consumer discretionary	17,763	15,504
Utilities	14,469	13,828
Materials	11,645	9,689
Insurance	11,296	7,443
Energy	10,042	12,946
Other	7,046	4,985
Total exposure	$ 325,106	$ 296,583

The Institutional Securities business segment lending activities include Corporate, Secured lending facilities, Commercial and Residential real estate, and Securities-based lending and Other. As of June 30, 2026 and December 31, 2025, over 90% of our Institutional Securities total exposure, which consisted of loans and lending commitments, was investment grade and/or secured by collateral. For a description of Institutional Securities’ lending activities, see “Quantitative and Qualitative Disclosures about Risk—Credit Risk” in the 2025 Form 10-K.

Institutional Securities Loans and Lending Commitments Held for Investment

$ in millions	At June 30, 2026 Loans	Lending Commitments	Total
Corporate	$ 8,955	$ 129,997	$ 138,952
Secured lending facilities	73,537	27,797	101,334
Commercial real estate	7,878	510	8,388
Securities-based lending and Other	4,163	960	5,123
Total, before ACL	**$ 94,533**	**$ 159,264**	**$ 253,797**
ACL	$ (860)	$ (777)	$ (1,637)

$ in millions	At December 31, 2025 Loans	Lending Commitments	Total
Corporate	$ 7,277	$ 119,390	$ 126,667
Secured lending facilities	69,149	26,947	96,096
Commercial real estate	8,039	353	8,392
Securities-based lending and Other	3,780	938	4,718
Total, before ACL	$ 88,245	$ 147,628	$ 235,873
ACL	$ (764)	$ (780)	$ (1,544)

Institutional Securities Commercial Real Estate Loans and Lending Commitments

By Region

	At June 30, 2026			At December 31, 2025		
$ in millions	Loans[1]	LC[1]	Total Exposure	Loans[1]	LC[1]	Total Exposure
Americas	$ 5,082	$ 672	$ 5,754	$ 4,116	$ 202	$ 4,318
EMEA	4,230	173	4,403	4,320	184	4,504
Asia	405	11	416	466	15	481
Total	$ 9,717	$ 856	$ 10,573	$ 8,902	$ 401	$ 9,303

By Property Type

	At June 30, 2026			At December 31, 2025		
$ in millions	Loans[1]	LC[1]	Total Exposure	Loans[1]	LC[1]	Total Exposure
Industrial	$ 3,440	$ 567	$ 4,007	$ 3,603	$ 118	$ 3,721
Office	2,764	106	2,870	2,143	132	2,275
Multifamily	2,050	141	2,191	1,729	96	1,825
Hotel	891	42	933	867	51	918
Retail	572	—	572	560	4	564
Total	$ 9,717	$ 856	$ 10,573	$ 8,902	$ 401	$ 9,303

LC–Lending Commitments
1. Amounts include HFI, HFS and FVO loans and lending commitments. HFI loans are presented net of ACL.

As of June 30, 2026 and December 31, 2025, our lending against commercial real estate ("CRE") properties within the Institutional Securities business segment totaled $10.6 billion and $9.3 billion, respectively. This represents 3.3% and 3.1%, respectively, of total exposure reflected in the Institutional Securities Loans and Lending Commitments table above. Those CRE loans are originated for experienced sponsors and are generally secured by specific institutional CRE properties. In many cases, loans are subsequently syndicated or securitized on a full or partial basis, reducing our ongoing exposure.

In addition to the amounts included in the table above, we provide certain secured lending facilities which are typically collateralized by pooled CRE mortgage loans and are included in Secured lending facilities in the Institutional Securities Loans and Lending Commitments Held for Investment table above. These secured lending facilities benefit from structural protections including cross-collateralization and diversification across property types.

While we continue to actively monitor all our loan portfolios, the commercial real estate sector remains under heightened focus given its sensitivity to economic and secular factors.

Institutional Securities Allowance for Credit Losses—Loans and Lending Commitments

$ in millions	Six Months Ended June 30, 2026 Corporate	Secured Lending Facilities	CRE	SBL and Other	Total
ACL—Loans					
Beginning balance	$ 260	$ 201	$ 283	$ 20	$ 764
Gross charge-offs	(45)	—	(17)	—	(62)
Recoveries	—	—	2	—	2
Net (charge-offs)/ recoveries	(45)	—	(15)	—	(60)
Provision (release)	66	43	46	3	158
Other	(2)	(2)	(2)	4	(2)
Ending balance	$ 279	$ 242	$ 312	$ 27	$ 860
ACL—Lending commitments					
Beginning balance	$ 625	$ 137	$ 12	$ 6	$ 780
Provision (release)	24	(20)	4	(3)	5
Other	(9)	(1)	—	2	(8)
Ending balance	$ 640	$ 116	$ 16	$ 5	$ 777
Total ending balance	$ 919	$ 358	$ 328	$ 32	$ 1,637

Institutional Securities HFI Loans—Ratios of Allowance for Credit Losses to Balance Before Allowance

	At June 30, 2026	At December 31, 2025
Corporate	3.1%	3.6%
Secured lending facilities	0.3%	0.3%
Commercial real estate	4.0%	3.5%
Securities-based lending and Other	0.6%	0.5%
Total Institutional Securities loans	0.9%	0.9%

Wealth Management Lending Activities

Wealth Management Loans and Lending Commitments

	At June 30, 2026				
	Contractual Years to Maturity				
$ in millions	<1	1-5	5-15	>15	Total
Securities-based lending and Other	**$109,467**	**$ 9,971**	**$ 679**	**$ 75**	**$120,192**
Residential real estate	**2**	**119**	**974**	**74,401**	**75,496**
Total loans, net of ACL	**$109,469**	**$10,090**	**$1,653**	**$ 74,476**	**$195,688**
Lending commitments	**17,393**	**3,024**	**35**	**464**	**20,916**
Total exposure	**$126,862**	**$13,114**	**$1,688**	**$ 74,940**	**$216,604**

	At December 31, 2025				
	Contractual Years to Maturity				
$ in millions	<1	1-5	5-15	>15	Total
Securities-based lending and Other	$ 96,959	$11,210	$ 654	$ 137	$108,960
Residential real estate	1	116	989	71,175	72,281
Total loans, net of ACL	$ 96,960	$11,326	$1,643	$ 71,312	$181,241
Lending commitments	16,907	2,889	66	424	20,286
Total exposure	$113,867	$14,215	$1,709	$ 71,736	$201,527

The principal Wealth Management business segment lending activities include Securities-based lending and Residential real estate loans.

For more information about our Securities-based lending and Residential real estate loans, see “Quantitative and Qualitative Disclosures about Risk—Credit Risk” in the 2025 Form 10-K.

Wealth Management Commercial Real Estate Loans and Lending Commitments by Property Type

	At June 30, 2026			At December 31, 2025		
$ in millions	Loans[1]	LC[1]	Total exposure	Loans[1]	LC[1]	Total exposure
Office	**$ 2,210**	**$ 1**	**$ 2,211**	$ 2,136	$ 1	$ 2,137
Retail	**2,189**	**—**	**2,189**	2,306	—	2,306
Multifamily	**1,528**	**132**	**1,660**	1,701	197	1,898
Industrial	**394**	**—**	**394**	437	—	437
Hotel	**352**	**—**	**352**	385	—	385
Other	**288**	**—**	**288**	311	—	311
Total	**$ 6,961**	**$ 133**	**$ 7,094**	$ 7,276	$ 198	$ 7,474

LC–Lending Commitments
1. Amounts include HFI loans and lending commitments. HFI loans are presented net of ACL.

As of June 30, 2026 and December 31, 2025, our direct lending against CRE properties totaled $7.1 billion and $7.5 billion, respectively, within the Wealth Management business segment. This represents 3.3% and 3.7%, respectively, of total exposure reflected in the Wealth Management Loans and Lending Commitments table above, primarily included within Securities-based lending and Other loans. Such loans are originated through our private banking platform, are both secured and generally benefiting from full or partial guarantees from high or ultra-high net worth clients, which partially reduce associated credit risk. At both June 30, 2026 and December 31, 2025, greater than 95% of the CRE loans balance in the Wealth Management business segment received guarantees. All of our lending against CRE properties within Wealth Management are in the Americas region.

Wealth Management Allowance for Credit Losses—Loans and Lending Commitments

	Six Months Ended June 30, 2026		
$ in millions	Residential Real Estate	SBL and Other	Total
ACL—Loans			
Beginning balance	$ 127	$ 241	$ 368
Gross charge-offs	**—**	**(10)**	**(10)**
Provision (release)	**9**	**25**	**34**
Other	**—**	**(4)**	**(4)**
Ending balance	**$ 136**	**$ 252**	**$ 388**
ACL—Lending commitments			
Beginning balance	$ 5	$ 13	$ 18
Provision (release)	**—**	**(1)**	**(1)**
Other	**—**	**(2)**	**(2)**
Ending balance	**$ 5**	**$ 10**	**$ 15**
Total ending balance	**$ 141**	**$ 262**	**$ 403**

As of June 30, 2026 and December 31, 2025, more than 75% of Wealth Management residential real estate loans were to borrowers with “Exceptional” or “Very Good” FICO scores (*i.e.,* exceeding 740). Additionally, Wealth Management’s securities-based lending portfolio remains well-collateralized and subject to daily client margining, which includes requiring customers to deposit additional collateral or reduce debt positions, when necessary.

Customer and Other Receivables

Margin Loans and Other Lending

$ in millions	At June 30, 2026	At December 31, 2025
Institutional Securities	**$ 64,084**	$ 52,657
Wealth Management	**36,244**	31,214
Total	**$ 100,328**	$ 83,871

The Institutional Securities and Wealth Management business segments provide margin lending arrangements that allow customers to borrow against the value of qualifying securities, primarily for the purpose of purchasing additional securities, as well as to collateralize short positions. Institutional Securities primarily includes margin loans in the Equity Financing business. Wealth Management includes margin loans as well as non-purpose securities-based lending on non-bank entities. Amounts may fluctuate from period to period as overall client balances change as a result of market levels, client positioning and leverage.

Credit exposures arising from margin lending activities are generally mitigated by their short-term nature, the value of collateral held and our right to call for additional margin when collateral values decline. However, we could incur losses in the event that the customer fails to meet margin calls and collateral values decline below the loan amount. This risk is elevated in loans backed by collateral pools with significant concentrations in individual issuers or securities with similar risk characteristics. For a further discussion, see “Risk Factors—Credit Risk” in the 2025 Form 10-K.

Employee Loans

For information on employee loans and related ACL, see Note 9 to the financial statements.

Derivatives

Fair Value of OTC Derivative Assets

$ in millions	At June 30, 2026					
	Counterparty Credit Rating[1]					
	AAA	AA	A	BBB	NIG	Total
Less than 1 year	$ 1,548	$ 19,215	$ 47,912	$ 25,109	$ 15,318	$ 109,102
1-3 years	868	6,549	18,584	11,604	8,632	46,237
3-5 years	419	6,705	10,383	7,077	6,320	30,904
Over 5 years	3,121	20,888	52,294	29,458	7,791	113,552
Total, gross	$ 5,956	$ 53,357	$ 129,173	$ 73,248	$ 38,061	$ 299,795
Counterparty netting	(3,382)	(42,732)	(98,675)	(53,002)	(23,504)	(221,295)
Cash and securities collateral	(2,264)	(8,482)	(26,569)	(13,924)	(7,106)	(58,345)
Total, net	$ 310	$ 2,143	$ 3,929	$ 6,322	$ 7,451	$ 20,155

$ in millions	At December 31, 2025					
	Counterparty Credit Rating[1]					
	AAA	AA	A	BBB	NIG	Total
Less than 1 year	$ 969	$ 12,406	$ 41,750	$ 19,551	$ 10,930	$ 85,606
1-3 years	485	5,978	16,718	9,879	7,556	40,616
3-5 years	676	6,324	9,408	7,288	3,223	26,919
Over 5 years	3,124	23,497	52,600	28,599	7,471	115,291
Total, gross	$ 5,254	$ 48,205	$ 120,476	$ 65,317	$ 29,180	$ 268,432
Counterparty netting	(3,041)	(39,093)	(90,919)	(46,335)	(16,243)	(195,631)
Cash and securities collateral	(2,114)	(7,346)	(25,473)	(13,043)	(5,669)	(53,645)
Total, net	$ 99	$ 1,766	$ 4,084	$ 5,939	$ 7,268	$ 19,156

$ in millions	At June 30, 2026	At December 31, 2025
Industry		
Financials	$ 7,596	$ 7,233
Utilities	3,795	3,626
Energy	1,392	756
Consumer discretionary	1,073	1,174
Industrials	1,002	1,251
Communications Services	808	719
Healthcare	603	618
Regional governments	564	637
Sovereign governments	520	325
Consumer staples	473	541
Materials	442	804
Real estate	368	301
Information technology	356	230
Not-for-profit organizations	126	98
Insurance	122	159
Other	915	684
Total	$ 20,155	$ 19,156

1. Counterparty credit ratings are determined internally by the CRM.

We are exposed to credit risk as a dealer in OTC derivatives. Credit risk with respect to derivative instruments arises from the possibility that a counterparty may fail to perform according to the terms of the contract. For more information on derivatives, see “Quantitative and Qualitative Disclosures about Risk—Credit Risk—Derivatives” in the 2025 Form 10-K and Note 6 to the financial statements.

Country Risk

Country risk exposure is the risk that events in, or that affect, a foreign country (any country other than the U.S.) might adversely affect us. We actively manage country risk exposure through a comprehensive risk management framework that combines credit and other market fundamentals and allows us to effectively identify, monitor and limit country risk. For a further discussion of our country risk exposure see “Quantitative and Qualitative Disclosures about Risk—Country and Other Risks” in the 2025 Form 10-K.

Top 10 Non-U.S. Country Exposures

$ in millions	At June 30, 2026				
	United Kingdom	France	Germany	Japan	Brazil
Sovereign					
Net inventory[1]	$ 3,947	$ 4,855	$ (741)	$ 2,666	$ 4,809
Net counterparty exposure[2]	118	—	112	33	3
Exposure before hedges	4,065	4,855	(629)	2,699	4,812
Hedges[3]	(21)	(136)	(141)	(137)	60
Net exposure	$ 4,044	$ 4,719	$ (770)	$ 2,562	$ 4,872
Non-sovereign					
Net inventory[1]	$ 2,098	$ 1,271	$ 961	$ (249)	$ 97
Net counterparty exposure[2]	9,238	4,049	3,429	4,447	383
Loans	12,151	807	2,870	1,579	300
Lending commitments	11,257	3,886	7,210	1,256	329
Exposure before hedges	34,744	10,013	14,470	7,033	1,109
Hedges[3]	(1,851)	(1,556)	(2,304)	(394)	(34)
Net exposure	$ 32,893	$ 8,457	$ 12,166	$ 6,639	$ 1,075
Total net exposure	$ 36,937	$ 13,176	$ 11,396	$ 9,201	$ 5,947

$ in millions	Canada	Netherlands	Switzerland	India	Australia
Sovereign					
Net inventory[1]	$ 734	$ 744	$ 1	$ 767	$ 31
Net counterparty exposure[2]	73	—	—	93	5
Exposure before hedges	807	744	1	860	36
Hedges[3]	—	(12)	—	—	—
Net exposure	$ 807	$ 732	$ 1	$ 860	$ 36
Non-sovereign					
Net inventory[1]	$ 439	$ 1,022	$ 652	$ 1,236	$ 265
Net counterparty exposure[2]	2,142	1,001	1,093	1,558	992
Loans	178	925	141	294	1,417
Lending commitments	1,610	886	3,434	239	1,850
Exposure before hedges	4,369	3,834	5,320	3,327	4,524
Hedges[3]	(140)	(77)	(874)	(40)	(778)
Net exposure	$ 4,229	$ 3,757	$ 4,446	$ 3,287	$ 3,746
Total net exposure	$ 5,036	$ 4,489	$ 4,447	$ 4,147	$ 3,782

1. Net inventory represents exposure to both long and short single-name and index positions (*i.e.*, bonds and equities at fair value and CDS based on a notional amount assuming zero recovery adjusted for the fair value of any receivable or payable).
2. Net counterparty exposure (*e.g.*, repurchase transactions, securities lending and OTC derivatives) is net of the benefit of collateral received and also is net by counterparty when legally enforceable master netting agreements are in place.
3. Amounts represent net CDS hedges (purchased and sold) on net counterparty exposure and lending executed by trading desks responsible for hedging counterparty and lending credit risk exposures. Amounts are based on the CDS notional amount assuming zero recovery adjusted for the fair value of any receivable or payable. For further description of the contractual terms for purchased credit protection and whether they may limit the effectiveness of our hedges, see "Quantitative and Qualitative Disclosures about Risk—Credit Risk—Derivatives" in the 2025 Form 10-K.

Operational Risk

Operational risk refers to the risk of loss, or of damage to our reputation, resulting from inadequate or failed processes or systems, human factors (*e.g.*, inappropriate or unlawful conduct) or external events (e.g., cyberattacks or third-party vulnerabilities) that may manifest as, for example, loss of information, business disruption, theft and fraud, legal and compliance risks, or damage to physical assets. We may experience operational risk events across the full scope of our business activities, including revenue-generating activities and support and control groups (*e.g.*, IT and trade processing). For a further discussion about our operational risk, see "Quantitative and Qualitative Disclosures about Risk—Operational Risk" in the 2025 Form 10-K.

Model Risk

Model risk is the potential for adverse consequences from decisions based on incorrect or misused model outputs. Model risk can lead to financial loss, poor business and strategic decision-making, noncompliance with applicable laws and/or regulations or damage to the Firm's reputation. The risk inherent in a model is a function of the materiality, complexity and uncertainty around inputs and assumptions. Model risk is generated from the use of models impacting financial statements, regulatory filings, capital adequacy assessments and the formulation of strategy. For a further discussion about our model risk, see "Quantitative and Qualitative Disclosures about Risk—Model Risk" in the 2025 Form 10-K.

Liquidity Risk

Liquidity risk refers to the risk that we will be unable to finance our operations due to a loss of access to the capital markets or difficulty in liquidating our assets. Liquidity risk also encompasses our ability (or perceived ability) to meet our financial obligations without experiencing significant business disruption or reputational damage that may threaten our viability as a going concern. For a further discussion about our liquidity risk, see "Quantitative and Qualitative Disclosures about Risk—Liquidity Risk" in the 2025 Form 10-K and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources" herein.

Legal, Regulatory and Compliance Risk

Legal, regulatory and compliance risk includes the risk of legal or regulatory sanctions, material financial loss, including fines, penalties, judgments, damages and/or settlements, limitations on our business, or loss to reputation that we may suffer as a result of failure to comply with laws, regulations, rules, related self-regulatory organization standards and codes of conduct applicable to our business activities. This risk also includes contractual and commercial risk, such as the risk that a counterparty's performance obligations will be unenforceable. It also includes compliance with AML, terrorist financing, and anti-corruption rules and regulations. For a further discussion about our legal and compliance risk, see "Quantitative and Qualitative Disclosures about Risk—Legal, Regulatory and Compliance Risk" in the 2025 Form 10-K.

Climate Risk

Climate-related risk consists of physical and transition risks. Physical risks include harm to people and property arising from acute climate-related events, such as floods, hurricanes, heatwaves, droughts and wildfires, and chronic, longer-term shifts in climate patterns, such as higher global average temperatures, rising sea levels and long-term droughts. Transition risks include policy, legal, technology and market changes. Examples of these transition risks include changes in consumer and business sentiment, related technologies, shareholder preferences and any additional regulatory and legislative requirements, including increased disclosure requirements or taxation of carbon emissions. Climate risk, which is not expected to have a significant effect on our consolidated results of operations or financial condition in the near term, is an overarching risk that can impact other categories of risk. For a further discussion about our climate risk, see "Quantitative and Qualitative Disclosures about Risk—Climate Risk" in the 2025 Form 10-K.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Morgan Stanley:

Results of Review of Interim Financial Information

We have reviewed the accompanying condensed consolidated balance sheet of Morgan Stanley and subsidiaries (the "Firm") as of June 30, 2026, and the related condensed consolidated income statements, comprehensive income statements and statements of changes in total equity for the three-month and six-month periods ended June 30, 2026 and 2025, and the cash flow statements for the six-month periods ended June 30, 2026 and 2025, and the related notes (collectively referred to as the "interim financial information"). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of the Firm as of December 31, 2025, and the related consolidated income statement, comprehensive income statement, cash flow statement and statement of changes in total equity for the year then ended (not presented herein) included in the Firm's Annual Report on Form 10-K; and in our report dated February 19, 2026, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2025, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

This interim financial information is the responsibility of the Firm's management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Firm in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our reviews in accordance with the standards of the PCAOB. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ Deloitte & Touche LLP

New York, New York

August 4, 2026

Consolidated Income Statement (Unaudited)

Morgan Stanley

	Three Months Ended June 30,		Six Months Ended June 30,	
in millions, except per share data	**2026**	2025	**2026**	2025
Revenues				
Investment banking	**$ 2,651**	$ 1,644	**$ 4,940**	$ 3,355
Trading	**6,723**	4,745	**13,453**	9,856
Investments	**226**	388	**372**	757
Commissions and fees	**1,833**	1,425	**3,523**	2,906
Asset management	**6,912**	5,953	**13,642**	11,916
Other	**223**	290	**515**	1,041
Total non-interest revenues	**18,568**	14,445	**36,445**	29,831
Interest income	**15,902**	14,905	**31,175**	28,653
Interest expense	**13,122**	12,558	**25,692**	23,953
Net interest	**2,780**	2,347	**5,483**	4,700
Net revenues	**21,348**	16,792	**41,928**	34,531
Provision for credit losses	**98**	196	**196**	331
Non-interest expenses				
Compensation and benefits	**8,187**	7,190	**16,729**	14,711
Brokerage, clearing and exchange fees	**1,464**	1,188	**2,720**	2,410
Information processing and communications	**1,203**	1,089	**2,351**	2,139
Professional services	**680**	711	**1,282**	1,385
Occupancy and equipment	**482**	459	**965**	908
Marketing and business development	**401**	297	**711**	535
Other	**1,485**	1,040	**2,615**	1,946
Total non-interest expenses	**13,902**	11,974	**27,373**	24,034
Income before provision for income taxes	**7,348**	4,622	**14,359**	10,166
Provision for income taxes	**1,695**	1,047	**3,068**	2,220
Net income	**$ 5,653**	$ 3,575	**$ 11,291**	$ 7,946
Net income applicable to noncontrolling interests	**72**	36	**143**	92
Net income applicable to Morgan Stanley	**$ 5,581**	$ 3,539	**$ 11,148**	$ 7,854
Preferred stock dividends	**145**	147	**301**	305
Earnings applicable to Morgan Stanley common shareholders	**$ 5,436**	$ 3,392	**$ 10,847**	$ 7,549
Earnings per common share				
Basic	**$ 3.50**	$ 2.15	**$ 6.96**	$ 4.78
Diluted	**$ 3.46**	$ 2.13	**$ 6.90**	$ 4.73
Average common shares outstanding				
Basic	**1,554**	1,577	**1,558**	1,581
Diluted	**1,569**	1,593	**1,573**	1,596

Consolidated Comprehensive Income Statement (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
$ in millions	**2026**	2025	**2026**	2025
Net income	**$ 5,653**	$ 3,575	**$ 11,291**	$ 7,946
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments	**(19)**	204	**(37)**	392
Change in net unrealized gains (losses) on available-for-sale securities	**3**	42	**(132)**	400
Pension and other	**5**	2	**9**	4
Change in net debt valuation adjustment	**(630)**	(174)	**599**	164
Net change in cash flow hedges	**(208)**	16	**(506)**	33
Total other comprehensive income (loss)	**$ (849)**	$ 90	**$ (67)**	$ 993
Comprehensive income	**$ 4,804**	$ 3,665	**$ 11,224**	$ 8,939
Net income applicable to noncontrolling interests	**72**	36	**143**	92
Other comprehensive income (loss) applicable to noncontrolling interests	**(26)**	42	**(23)**	92
Comprehensive income applicable to Morgan Stanley	**$ 4,758**	$ 3,587	**$ 11,104**	$ 8,755

Consolidated Balance Sheet

Morgan Stanley

$ in millions, except share data		(Unaudited) At June 30, 2026		At December 31, 2025
Assets				
Cash and cash equivalents	$	**160,135**	$	111,695
Trading assets at fair value (**$278,278** and $213,269 pledged as collateral)		**544,153**		428,276
Investment securities:				
Available-for-sale at fair value (amortized cost of **$107,761** and $112,522)		**105,532**		110,466
Held-to-maturity (fair value of **$40,238** and $45,615)		**47,747**		53,090
Securities purchased under agreements to resell (includes **$109** and $— at fair value)		**129,516**		120,243
Securities borrowed		**181,358**		151,908
Customer and other receivables		**151,010**		114,720
Loans:				
Held for investment (net of allowance for credit losses of **$1,248** and $1,132)		**289,318**		268,720
Held for sale		**13,057**		9,374
Goodwill		**17,105**		16,726
Intangible assets (net of accumulated amortization of **$2,042** and $1,882)		**5,873**		6,010
Other assets		**30,253**		29,042
Total assets	$	**1,675,057**	$	1,420,270
Liabilities				
Deposits (includes **$8,647** and $8,755 at fair value)	$	**446,068**	$	415,523
Trading liabilities at fair value		**255,589**		169,569
Securities sold under agreements to repurchase (includes **$887** and $696 at fair value)		**102,202**		78,539
Securities loaned		**20,736**		17,310
Other secured financings (includes **$19,461** and $16,871 at fair value)		**29,819**		21,603
Customer and other payables		**279,070**		226,519
Other liabilities and accrued expenses		**31,577**		29,620
Borrowings (includes **$147,514** and $132,479 at fair value)		**392,556**		348,935
Total liabilities		**1,557,617**		1,307,618
Commitments and contingent liabilities (see Note 13)				
Equity				
Morgan Stanley shareholders' equity:				
Preferred stock		**9,750**		9,750
Common stock, $0.01 par value:				
Shares authorized: **3,500,000,000**; Shares issued: **2,038,893,979**; Shares outstanding: **1,571,931,108** and 1,582,834,137		**20**		20
Additional paid-in capital		**31,597**		31,153
Retained earnings		**122,774**		115,091
Employee stock trusts		**5,912**		5,154
Accumulated other comprehensive income (loss)		**(6,329)**		(6,285)
Common stock held in treasury at cost, $0.01 par value (**466,962,871** and 456,059,842 shares)		**(41,483)**		(38,097)
Common stock issued to employee stock trusts		**(5,912)**		(5,154)
Total Morgan Stanley shareholders' equity		**116,329**		111,632
Noncontrolling interests		**1,111**		1,020
Total equity		**117,440**		112,652
Total liabilities and equity	$	**1,675,057**	$	1,420,270

Consolidated Statement of Changes in Total Equity (Unaudited)

Morgan Stanley

$ in millions	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Preferred stock				
Beginning and ending balance	**$ 9,750**	$ 9,750	**$ 9,750**	$ 9,750
Common stock				
Beginning and ending balance	**20**	20	**20**	20
Additional paid-in capital				
Beginning balance	**30,988**	29,773	31,153	30,179
Share-based award activity	**609**	490	**444**	84
Ending balance	**31,597**	30,263	**31,597**	30,263
Retained earnings				
Beginning balance	**118,913**	107,653	115,091	104,989
Net income applicable to Morgan Stanley	**5,581**	3,539	**11,148**	7,854
Preferred stock dividends[1]	**(145)**	(147)	**(301)**	(305)
Common stock dividends[1]	**(1,575)**	(1,478)	**(3,164)**	(2,970)
Other net increases (decreases)	**—**	—	**—**	(1)
Ending balance	**122,774**	109,567	**122,774**	109,567
Employee stock trusts				
Beginning balance	**6,003**	5,277	5,154	5,103
Share-based award activity	**(91)**	(192)	**758**	(18)
Ending balance	**5,912**	5,085	**5,912**	5,085
Accumulated other comprehensive income (loss)				
Beginning balance	**(5,506)**	(5,961)	(6,285)	(6,814)
Net change in Accumulated other comprehensive income (loss)	**(823)**	48	**(44)**	901
Ending balance	**(6,329)**	(5,913)	**(6,329)**	(5,913)
Common stock held in treasury at cost				
Beginning balance	**(39,879)**	(34,423)	(38,097)	(33,613)
Share-based award activity	**54**	33	**1,147**	1,253
Repurchases of common stock and employee tax withholdings	**(1,658)**	(1,113)	**(4,533)**	(3,143)
Ending balance	**(41,483)**	(35,503)	**(41,483)**	(35,503)
Common stock issued to employee stock trusts				
Beginning balance	**(6,003)**	(5,277)	(5,154)	(5,103)
Share-based award activity	**91**	192	**(758)**	18
Ending balance	**(5,912)**	(5,085)	**(5,912)**	(5,085)
Noncontrolling interests				
Beginning balance	**1,098**	1,035	1,020	917
Net income applicable to noncontrolling interests	**72**	36	**143**	92
Net change in Accumulated other comprehensive income (loss) applicable to noncontrolling interests	**(26)**	42	**(23)**	92
Other net increases (decreases)	**(33)**	(27)	**(29)**	(15)
Ending balance	**1,111**	1,086	**1,111**	1,086
Total equity	**$ 117,440**	$ 109,270	**$ 117,440**	$ 109,270

1. See Note 16 for information regarding dividends per share for each class of stock.

Consolidated Cash Flow Statement (Unaudited)

Morgan Stanley

$ in millions	Six Months Ended June 30, 2026	2025
Cash flows from operating activities		
Net income	**$ 11,291**	$ 7,946
Adjustments to reconcile net income to net cash provided by (used for) operating activities:		
Stock-based compensation expense	**1,133**	1,008
Depreciation and amortization	**1,916**	2,172
Provision for credit losses	**196**	331
Other operating adjustments	**260**	156
Changes in assets and liabilities:		
Trading assets, net of Trading liabilities	**(29,728)**	(65,970)
Securities borrowed	**(29,450)**	(16,100)
Securities loaned	**3,426**	3,967
Customer and other receivables and other assets	**(40,203)**	(13,253)
Customer and other payables and other liabilities	**56,924**	36,316
Securities purchased under agreements to resell	**(9,273)**	11,810
Securities sold under agreements to repurchase	**23,663**	19,470
Net cash provided by (used for) operating activities	**(9,845)**	(12,147)
Cash flows from investing activities		
Proceeds from (payments for):		
Other assets—Premises, equipment and software	**(1,573)**	(1,476)
Changes in loans, net	**(21,138)**	(18,186)
AFS securities:		
Purchases	**(16,668)**	(18,687)
Proceeds from sales	**6,878**	2,462
Proceeds from paydowns and maturities	**14,021**	9,111
HTM securities:		
Purchases	**(1,294)**	—
Proceeds from paydowns and maturities	**6,901**	4,520
Other investing activities	**(931)**	(450)
Net cash provided by (used for) investing activities	**(13,804)**	(22,706)
Cash flows from financing activities		
Net proceeds from (payments for):		
Other secured financings	**5,095**	3,374
Deposits	**30,977**	13,232
Proceeds from issuance of Borrowings	**99,444**	69,341
Payments for:		
Borrowings	**(54,037)**	(45,092)
Repurchases of common stock and employee tax withholdings	**(4,547)**	(3,159)
Cash dividends	**(3,385)**	(3,200)
Other financing activities	**(27)**	216
Net cash provided by (used for) financing activities	**73,520**	34,712
Effect of exchange rate changes on cash and cash equivalents	**(1,431)**	3,885
Net increase (decrease) in cash and cash equivalents	**48,440**	3,744
Cash and cash equivalents, at beginning of period	**111,695**	105,386
Cash and cash equivalents, at end of period	**$ 160,135**	$ 109,130
Supplemental Disclosure of Cash Flow Information		
Cash payments for:		
Interest	**$ 26,585**	$ 24,543
Income taxes, net of refunds	**2,171**	2,345

1. Introduction and Basis of Presentation

The Firm

Morgan Stanley is a global financial services firm that maintains significant market positions in each of its business segments—Institutional Securities, Wealth Management and Investment Management. Morgan Stanley, 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. Morgan Stanley operates as an Integrated Firm whereby it serves clients holistically across its business segments. Unless the context otherwise requires, the terms "Morgan Stanley" or the "Firm" mean Morgan Stanley (the "Parent Company") together with its consolidated subsidiaries. See the "Glossary of Common Terms and Acronyms" for the definition of certain terms and acronyms used throughout this Form 10-Q.

A description of the clients and principal products and services of each of the Firm's business segments is below. Through the Integrated Firm some of our clients may use the products and services of more than one of our business segments.

Institutional Securities provides a variety of products and services to corporations, governments, financial institutions and ultra-high net worth clients. Investment Banking services consist of capital raising and financial advisory services, including the underwriting of debt, equity securities and other products, as well as advice on mergers and acquisitions, restructurings and project finance. Our Markets business, which comprises Equity and Fixed Income, provides sales, financing, prime brokerage, market-making, and Asia wealth management services and holds certain business-related investments. Lending activities include originating corporate loans and commercial real estate loans, providing secured lending facilities, and extending securities-based and other financing to clients. Other activities include research.

Wealth Management provides a comprehensive array of financial services and solutions to individual investors, including high and ultra-high net worth individuals, and businesses and institutions. Wealth Management supports clients through three channels: Advisor-Led, Self-Directed and Workplace. Wealth Management includes: financial advisor-led brokerage, investment advisory, custody, cash management, and administrative services; self-directed brokerage services; financial and wealth planning services; workplace services, including stock plan administration; securities-based lending, residential and commercial real estate loans and other lending products; banking; and retirement plan services.

Investment Management provides a broad range of investment strategies and products that span geographies, asset classes, and public and private markets to a diverse group of clients across institutional and intermediary channels. Strategies and products, which are offered through a variety of investment vehicles, include equity, fixed income, alternatives and solutions, and liquidity and overlay services. Institutional clients include defined benefit/defined contribution plans, foundations, endowments, government entities, sovereign wealth funds, insurance companies, third-party fund sponsors and corporations. Individual clients are generally served through intermediaries, including affiliated and non-affiliated distributors.

Basis of Financial Information

The financial statements are prepared in accordance with U.S. GAAP, which requires the Firm to make estimates and assumptions regarding the valuations of certain financial instruments, the valuations of goodwill and intangible assets, the outcome of legal and tax matters, deferred tax assets, ACL, and other matters that affect its financial statements and related disclosures. The Firm believes that the estimates utilized in the preparation of its financial statements are prudent and reasonable. Actual results could differ materially from these estimates.

The Notes are an integral part of the Firm's financial statements. The Firm has evaluated subsequent events for adjustment to or disclosure in these financial statements through the date of this report and has not identified any recordable or disclosable events not otherwise reported in these financial statements or the notes thereto.

The accompanying financial statements should be read in conjunction with the Firm's financial statements and notes thereto included in the 2025 Form 10-K. Certain footnote disclosures included in the 2025 Form 10-K have been condensed or omitted from these financial statements as they are not required for interim reporting under U.S. GAAP. The financial statements reflect all adjustments of a normal, recurring nature that are, in the opinion of management, necessary for the fair presentation of the results for the interim period. The results of operations for interim periods are not necessarily indicative of results for the entire year.

Consolidation

The financial statements include the accounts of the Firm, its wholly owned subsidiaries and other entities in which the Firm has a controlling financial interest, including certain VIEs (see Note 14). Intercompany balances and transactions have been eliminated. For consolidated subsidiaries that are not wholly owned, the third-party holdings of equity interests are referred to as Noncontrolling interests. The net income attributable to Noncontrolling interests for such subsidiaries is presented as Net income applicable to noncontrolling interests in the income statement. The portion of shareholders' equity that is attributable to Noncontrolling interests for such subsidiaries is presented as Noncontrolling interests, a component of Total equity, in the balance sheet.

For a discussion of the Firm's significant regulated U.S. and international subsidiaries and its involvement with VIEs, see Note 1 to the financial statements in the 2025 Form 10-K.

2. Significant Accounting Policies

For a detailed discussion about the Firm's significant accounting policies and for further information on accounting updates adopted in the prior year, see Note 2 to the financial statements in the 2025 Form 10-K.

During the six months ended June 30, 2026, there were no significant updates to the Firm's significant accounting policies, other than as described below.

In the first quarter of 2026, the Firm began using derivatives to hedge certain of its DCP awards in the Wealth Management business segment. The Firm has accordingly updated certain relevant accounting policies to address such hedging derivatives as described below.

Hedge Accounting

Cash Flow Hedges—Equity Price Risk

The Firm designated total return swaps as hedges of the variability in forecasted cash flows from the majority of unvested DCP obligations due to variability in the underlying DCP investments. The Firm uses regression analysis to perform an ongoing prospective and retrospective assessment of the effectiveness of these hedging relationships.

Changes in the fair value of these hedging derivatives designated as cash flow hedges are recorded in OCI and subsequently reclassified into Compensation and benefits expense in the same period that the related DCP award vests and the related Compensation and benefits expense is recognized.

Other Hedges

In addition to hedges that are designated and qualify for cash flow hedge accounting, the Firm uses derivatives to economically hedge equity price risk primarily associated with vested DCP awards. The Firm presents changes in the fair value of the derivatives related to economic hedges of DCP awards in Compensation and benefits expense. Previously, the Firm economically hedged the awards primarily with cash instruments whereby changes in the fair value of the hedges were recorded in Trading revenues.

Deferred Compensation

Deferred Cash-Based Compensation

Compensation expense for DCP awards is calculated based on the notional value of the award granted, adjusted for changes in the fair value of the referenced investments that employees select. Compensation expense is recognized over the vesting period relevant to each separately vesting portion of deferred awards.

The majority of unvested DCP awards are subject to cash flow hedge accounting to mitigate the recognition timing difference on compensation expenses. Vested DCP awards are economically hedged using derivatives. For more information regarding cash flow hedge accounting for DCP awards, refer to "Hedge Accounting – Cash Flow Hedges – Equity Price Risk" herein. For more information on economic hedges for DCP awards, refer to "Other Hedges" herein.

3. Cash and Cash Equivalents

$ in millions	**At June 30, 2026**	At December 31, 2025
Cash and due from banks	**$ 6,936**	$ 4,462
Interest bearing deposits with banks	**153,199**	107,233
Total Cash and cash equivalents	**$ 160,135**	$ 111,695
Restricted cash	**$ 37,098**	$ 30,385

For additional information on cash and cash equivalents, including restricted cash, see Note 2 to the financial statements in the 2025 Form 10-K.

4. Fair Values

Recurring Fair Value Measurements

Assets and Liabilities Measured at Fair Value on a Recurring Basis

	At June 30, 2026				
$ in millions	Level 1	Level 2	Level 3	Netting[1]	Total
Assets at fair value					
Trading assets:					
U.S. Treasury and agency securities	$ 77,305	$ 72,576	$ —	$ —	$149,881
Other sovereign government obligations	63,853	379	55	—	64,287
State and municipal securities	—	4,357	—	—	4,357
MABS	—	2,423	433	—	2,856
Loans and lending commitments[2]	—	11,996	1,282	—	13,278
Corporate and other debt	4,459	40,692	1,532	—	46,683
Corporate equities[3,5]	211,054	765	175	—	211,994
Derivative and other contracts:					
Interest rate	3,340	119,058	468	—	122,866
Credit	—	10,738	205	—	10,943
Foreign exchange	21	104,975	256	—	105,252
Equity	11,281	123,733	1,206	—	136,220
Commodity and other	386	13,298	2,757	—	16,441
Netting[1]	(12,736)	(292,204)	(1,278)	(45,227)	(351,445)
Total derivative and other contracts	2,292	79,598	3,614	(45,227)	40,277
Investments[4,5]	775	409	1,560	—	2,744
Physical commodities	—	670	—	—	670
Total trading assets[4]	359,738	213,865	8,651	(45,227)	537,027
Investment securities—AFS	76,026	29,436	70	—	105,532
Securities purchased under agreements to resell	—	109	—	—	109
Total assets at fair value	$435,764	$243,410	$ 8,721	$(45,227)	$642,668

	At June 30, 2026				
$ in millions	Level 1	Level 2	Level 3	Netting[1]	Total
Liabilities at fair value					
Deposits	$ —	$ 8,645	$ 2	$ —	$ 8,647
Trading liabilities:					
U.S. Treasury and agency securities	22,281	—	—	—	22,281
Other sovereign government obligations	35,766	43	2	—	35,811
Corporate and other debt	2,738	16,972	28	—	19,738
Corporate equities[3]	115,228	323	25	—	115,576
Derivative and other contracts:					
Interest rate	3,185	108,077	891	—	112,153
Credit	—	11,184	94	—	11,278
Foreign exchange	156	95,456	218	—	95,830
Equity	10,343	172,228	2,969	—	185,540
Commodity and other	493	14,534	1,440	—	16,467
Netting[1]	(12,736)	(292,204)	(1,278)	(52,867)	(359,085)
Total derivative and other contracts	1,441	109,275	4,334	(52,867)	62,183
Total trading liabilities	177,454	126,613	4,389	(52,867)	255,589
Securities sold under agreements to repurchase	—	443	444	—	887
Other secured financings	—	19,333	128	—	19,461
Borrowings	—	146,710	804	—	147,514
Total liabilities at fair value	$177,454	$301,744	$ 5,767	$(52,867)	$432,098

	At December 31, 2025				
$ in millions	Level 1	Level 2	Level 3	Netting[1]	Total
Assets at fair value					
Trading assets:					
U.S. Treasury and agency securities	$ 70,801	$ 48,504	$ —	$ —	$119,305
Other sovereign government obligations	44,790	359	59	—	45,208
State and municipal securities	—	3,740	—	—	3,740
MABS	—	2,326	317	—	2,643
Loans and lending commitments[2]	—	9,520	1,424	—	10,944
Corporate and other debt	3,720	32,117	1,414	—	37,251
Corporate equities[3,5]	161,160	823	276	—	162,259
Derivative and other contracts:					
Interest rate	2,231	125,002	452	—	127,685
Credit	—	10,081	263	—	10,344
Foreign exchange	11	85,969	165	—	86,145
Equity	7,335	85,077	717	—	93,129
Commodity and other	222	13,746	2,494	—	16,462
Netting[1]	(7,509)	(247,840)	(1,049)	(40,577)	(296,975)
Total derivative and other contracts	2,290	72,035	3,042	(40,577)	36,790
Investments[4,5]	795	416	1,507	—	2,718
Physical commodities	—	685	—	—	685
Total trading assets[4]	283,556	170,525	8,039	(40,577)	421,543
Investment securities—AFS	80,907	29,559	—	—	110,466
Securities purchased under agreements to resell	—	—	—	—	—
Total assets at fair value	$364,463	$200,084	$ 8,039	$(40,577)	$532,009

	At December 31, 2025				
$ in millions	Level 1	Level 2	Level 3	Netting[1]	Total
Liabilities at fair value					
Deposits	$ —	$ 8,754	$ 1	$ —	$ 8,755
Trading liabilities:					
U.S. Treasury and agency securities	19,297	2	—	—	19,299
Other sovereign government obligations	23,534	28	2	—	23,564
Corporate and other debt	1,447	14,138	50	—	15,635
Corporate equities[3]	68,989	27	30	—	69,046
Derivative and other contracts:					
Interest rate	2,189	113,060	606	—	115,855
Credit	—	10,520	176	—	10,696
Foreign exchange	70	82,887	129	—	83,086
Equity	6,253	114,930	2,150	—	123,333
Commodity and other	264	13,338	1,574	—	15,176
Netting[1]	(7,509)	(247,840)	(1,049)	(49,723)	(306,121)
Total derivative and other contracts	1,267	86,895	3,586	(49,723)	42,025
Total trading liabilities	114,534	101,090	3,668	(49,723)	169,569
Securities sold under agreements to repurchase	—	251	445	—	696
Other secured financings	—	16,565	306	—	16,871
Borrowings	—	131,871	608	—	132,479
Total liabilities at fair value	$114,534	$258,531	$ 5,028	$(49,723)	$328,370

MABS—Mortgage- and asset-backed securities

1. For positions with the same counterparty that cross over the levels of the fair value hierarchy, both counterparty netting and cash collateral netting are included in the column titled "Netting." Positions classified within the same level that are with the same counterparty are netted within that level. For further information on derivative instruments and hedging activities, see Note 6.
2. For a further breakdown by type, see the following Detail of Loans and Lending Commitments at Fair Value table.
3. For trading purposes, the Firm holds or sells short equity securities issued by entities in diverse industries and of varying sizes.

4. Amounts exclude certain investments that are measured based on NAV per share, which are not classified in the fair value hierarchy. For additional disclosure about such investments, see "Net Asset Value Measurements" herein.
5. At June 30, 2026 and December 31, 2025, the Firm's Trading assets included an insignificant amount of equity securities subject to contractual sale restrictions that generally prohibit the Firm from selling the security for a period of time as of the measurement date.

Detail of Loans and Lending Commitments at Fair Value

$ in millions	At June 30, 2026	At December 31, 2025
Commercial real estate	$ 1,691	$ 675
Residential real estate	4,780	3,274
Securities-based lending and Other loans	6,807	6,995
Total	$ 13,278	$ 10,944

Unsettled Fair Value of Futures Contracts[1]

$ in millions	At June 30, 2026	At December 31, 2025
Customer and other receivables (payables), net	$ 2,192	$ 1,538

1. These contracts are primarily Level 1, actively traded, valued based on quoted prices from the exchange and are excluded from the previous recurring fair value tables.

For a description of the valuation techniques applied to the Firm's major categories of assets and liabilities measured at fair value on a recurring basis, see Note 4 to the financial statements in the 2025 Form 10-K. During the current quarter, there were no significant revisions made to the Firm's valuation techniques.

Rollforward of Level 3 Assets and Liabilities Measured at Fair Value on a Recurring Basis

	Three Months Ended June 30,		Six Months Ended June 30,	
$ in millions	2026	2025	2026	2025
Other sovereign government obligations				
Beginning balance	$ 55	$ 29	$ 59	$ 17
Realized and unrealized gains (losses)	—	1	—	—
Purchases	13	4	12	24
Sales	(1)	(3)	(2)	(11)
Net transfers	(12)	(5)	(14)	(4)
Ending balance	$ 55	$ 26	$ 55	$ 26
Unrealized gains (losses)	$ —	$ —	$ —	$ —
State and municipal securities				
Beginning balance	$ —	$ —	$ —	$ —
Purchases	—	10	—	10
Ending balance	$ —	$ 10	$ —	$ 10
Unrealized gains (losses)	$ —	$ —	$ —	$ —
MABS				
Beginning balance	$ 629	$ 346	$ 317	$ 281
Realized and unrealized gains (losses)	2	6	12	6
Purchases	34	87	108	161
Sales	(22)	(54)	(79)	(83)
Net transfers	(210)	130	75	150
Ending balance	$ 433	$ 515	$ 433	$ 515
Unrealized gains (losses)	$ 3	$ —	$ 3	$ —
Loans and lending commitments				
Beginning balance	$ 1,667	$ 2,026	$ 1,424	$ 1,059
Realized and unrealized gains (losses)	(8)	(36)	(21)	22
Purchases and originations	366	177	804	332
Sales	(295)	(635)	(885)	(700)
Settlements	—	—	—	281
Net transfers	(448)	(249)	(40)	289
Ending balance	$ 1,282	$ 1,283	$ 1,282	$ 1,283
Unrealized gains (losses)	$ (9)	$ 5	$ (22)	$ 20
Corporate and other debt				
Beginning balance	$ 1,475	$ 1,434	$ 1,414	$ 1,258
Realized and unrealized gains (losses)	(59)	15	(119)	(18)
Purchases and originations	503	528	770	941
Sales	(370)	(284)	(510)	(461)
Net transfers	(17)	66	(23)	39
Ending balance	$ 1,532	$ 1,759	$ 1,532	$ 1,759
Unrealized gains (losses)	$ (60)	$ 3	$ (124)	$ 1
Corporate equities				
Beginning balance	$ 184	$ 163	$ 276	$ 154
Realized and unrealized gains (losses)	7	(1)	7	(21)
Purchases	110	104	117	141
Sales	(155)	(40)	(313)	(85)
Net transfers	29	(21)	88	16
Ending balance	$ 175	$ 205	$ 175	$ 205
Unrealized gains (losses)	$ 6	$ (1)	$ 7	$ 1
Investments				
Beginning balance	$ 1,587	$ 779	$ 1,507	$ 754
Realized and unrealized gains (losses)	3	2	15	24
Purchases	11	3	91	27
Sales	(10)	(1)	(25)	(26)
Net transfers	(31)	(3)	(28)	1
Ending balance	$ 1,560	$ 780	$ 1,560	$ 780
Unrealized gains (losses)	$ 9	$ 10	$ 18	$ 20
Investment securities—AFS				
Beginning balance	$ —	$ —	$ —	$ —
Settlements	(7)	—	(7)	—
Net transfers	77	11	77	11
Ending balance	$ 70	$ 11	$ 70	$ 11
Unrealized gains (losses)	$ —	$ —	$ —	$ —
Net derivatives: Interest rate				
Beginning balance	$ (151)	$ (123)	$ (154)	$ (53)
Realized and unrealized gains (losses)	(208)	(198)	(234)	(408)
Purchases	64	77	136	105
Issuances	(32)	(33)	(75)	(46)
Settlements	(18)	(28)	(96)	33
Net transfers	(78)	(152)	—	(88)
Ending balance	$ (423)	$ (457)	$ (423)	$ (457)
Unrealized gains (losses)	$ (101)	$ (198)	$ (101)	$ (374)

$ in millions	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Net derivatives: Credit				
Beginning balance	$ 148	$ 129	$ 87	$ 97
Realized and unrealized gains (losses)	**(58)**	(109)	**(52)**	(45)
Settlements	**21**	77	**71**	23
Net transfers	**—**	—	**5**	22
Ending balance	**$ 111**	$ 97	**$ 111**	$ 97
Unrealized gains (losses)	**$ —**	$ (109)	**$ —**	$ (35)
Net derivatives: Foreign exchange				
Beginning balance	$ (44)	$ 305	$ 36	$ 589
Realized and unrealized gains (losses)	**46**	(20)	**(18)**	45
Purchases	**2**	2	**2**	3
Issuances	**—**	—	**—**	(1)
Settlements	**39**	(681)	**60**	(935)
Net transfers	**(5)**	(39)	**(42)**	(134)
Ending balance	**$ 38**	$ (433)	**$ 38**	$ (433)
Unrealized gains (losses)	**$ (30)**	$ (20)	**$ (30)**	$ 45
Net derivatives: Equity				
Beginning balance	$ (1,315)	$ (885)	$ (1,433)	$ (1,148)
Realized and unrealized gains (losses)	**(524)**	(192)	**(530)**	153
Purchases	**166**	126	**277**	365
Issuances	**(424)**	(530)	**(672)**	(838)
Settlements	**462**	509	**740**	150
Net transfers	**(128)**	(105)	**(145)**	241
Ending balance	**$ (1,763)**	$ (1,077)	**$ (1,763)**	$ (1,077)
Unrealized gains (losses)	**$ (230)**	$ (190)	**$ (230)**	$ 69
Net derivatives: Commodity and other				
Beginning balance	$ 1,220	$ 862	$ 920	$ 1,308
Realized and unrealized gains (losses)	**429**	268	**250**	116
Purchases	**36**	43	**132**	99
Issuances	**(59)**	(133)	**(156)**	(189)
Settlements	**(459)**	(87)	**(47)**	(108)
Net transfers	**150**	(66)	**218**	(339)
Ending balance	**$ 1,317**	$ 887	**$ 1,317**	$ 887
Unrealized gains (losses)	**$ 34**	$ 160	**$ 284**	$ 124
Deposits				
Beginning balance	$ 1	$ 3	$ 1	$ 1
Realized and unrealized losses (gains)	**—**	1	**—**	—
Issuances	**1**	1	**2**	3
Settlements	**—**	(1)	**(1)**	(1)
Net transfers	**—**	26	**—**	27
Ending balance	**$ 2**	$ 30	**$ 2**	$ 30
Unrealized losses (gains)	**$ —**	$ 1	**$ —**	$ —
Nonderivative trading liabilities				
Beginning balance	$ 73	$ 28	$ 82	$ 110
Realized and unrealized losses (gains)	**(21)**	—	**(24)**	(4)
Purchases	**(9)**	(3)	**(26)**	(19)
Sales	**17**	65	**21**	107
Net transfers	**(5)**	24	**2**	(80)
Ending balance	**$ 55**	$ 114	**$ 55**	$ 114
Unrealized losses (gains)	**$ (19)**	$ —	**$ (23)**	$ —

$ in millions	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Securities sold under agreements to repurchase				
Beginning balance	$ 449	$ 660	$ 445	$ 444
Realized and unrealized losses (gains)	**(5)**	2	**(1)**	2
Net transfers	**—**	(216)	**—**	—
Ending balance	**$ 444**	$ 446	**$ 444**	$ 446
Unrealized losses (gains)	**$ (5)**	$ 2	**$ (1)**	$ 2
Other secured financings				
Beginning balance	$ 181	$ 435	$ 306	$ 76
Realized and unrealized losses (gains)	**—**	—	**(1)**	10
Purchases	**—**	—	**6**	—
Sales	**—**	(231)	**—**	(231)
Issuances	**57**	114	**88**	253
Settlements	**(154)**	(147)	**(309)**	(152)
Net transfers	**44**	(27)	**38**	188
Ending balance	**$ 128**	$ 144	**$ 128**	$ 144
Unrealized losses (gains)	**$ —**	$ —	**$ —**	$ 10
Borrowings				
Beginning balance	$ 937	$ 902	$ 608	$ 947
Realized and unrealized losses (gains)	**35**	195	**6**	238
Issuances	**243**	644	**368**	1,179
Settlements	**(35)**	(4)	**(92)**	(109)
Net transfers	**(376)**	941	**(86)**	423
Ending balance	**$ 804**	$ 2,678	**$ 804**	$ 2,678
Unrealized losses (gains)	**$ 18**	$ 196	**$ 16**	$ 234
Portion of Unrealized losses (gains) recorded in OCI—Change in net DVA	**(5)**	(13)	**(2)**	(2)

Level 3 instruments may be hedged with instruments classified in Level 1 and Level 2. The realized and unrealized gains or losses for assets and liabilities within the Level 3 category presented in the previous tables do not reflect the related realized and unrealized gains or losses on hedging instruments that have been classified by the Firm within the Level 1 and/or Level 2 categories.

The unrealized gains (losses) during the period for assets and liabilities within the Level 3 category may include changes in fair value during the period that were attributable to both observable and unobservable inputs. Total realized and unrealized gains (losses) are primarily included in Trading revenues in the income statement.

Additionally, in the previous tables, consolidations of VIEs are included in Purchases, and deconsolidations of VIEs are included in Settlements.

Significant Unobservable Inputs Used in Recurring and Nonrecurring Level 3 Fair Value Measurements

Valuation Techniques and Unobservable Inputs

$ in millions, except inputs	Balance / Range (Average[1])	
	At June 30, 2026	At December 31, 2025
Other sovereign government obligations	**$ 55**	$ 59
Comparable pricing:		
Bond price	**65 to 112 points (98 points)**	58 to 112 points (100 points)
MABS	**$ 433**	$ 317
Comparable pricing:		
Bond price	**40 to 111 points (84 points)**	30 to 100 points (68 points)
Loans and lending commitments	**$ 1,282**	$ 1,424
Comparable pricing:		
Loan price	**44 to 102 points (87 points)**	54 to 102 points (81 points)
Corporate and other debt	**$ 1,532**	$ 1,414
Comparable pricing:		
Bond price	**29 to 130 points (86 points)**	29 to 130 points (90 points)
Discounted cash flow:		
Loss given default	**40% to 40% (40% / 40%)**	40% to 40% (40% / 40%)
Option model:		
Equity volatility	**10% to 140% (46%)**	N/M
Corporate equities	**$ 175**	$ 276
Comparable pricing:		
Equity price	**100%**	100%
Investments	**$ 1,560**	$ 1,507
Discounted cash flow:		
WACC	**11% to 21% (16%)**	10% to 21% (16%)
Exit multiple	**9 to 9 times (9 times)**	9 to 9 times (9 times)
Market approach:		
EBITDA multiple	**17 times**	18 times
Comparable pricing:		
Equity price	**24% to 100% (94%)**	24% to 100% (95%)
Investment securities —AFS	**$ 70**	N/M
Comparable pricing:		
Bond price	**96 to 98 points (97 points)**	N/M
Net derivative and other contracts:		
Interest rate	**$ (423)**	$ (154)
Option model:		
IR volatility skew	**61% to 87% (71% / 71%)**	52% to 86% (67% / 66%)
IR curve correlation	**53% to 99% (84% / 85%)**	56% to 99% (87% / 88%)
Bond volatility	**63% to 94% (72% / 72%)**	63% to 97% (80% / 80%)
Inflation volatility	**32% to 67% (44% / 40%)**	32% to 67% (44% / 40%)
Credit	**$ 111**	$ 87
Credit default swap model:		
Cash-synthetic basis	**9 points**	11 points
Bond price	**0 to 97 points (79 points)**	0 to 97 points (53 points)
Credit spread	**22 to 672 bps (151 bps)**	22 to 680 bps (108 bps)
Funding spread	**N/M**	6 to 590 bps (77 bps)
Iswap Model:		
Lapse rate	**2% to 2% (2% / 2%)**	N/M

$ in millions, except inputs	Balance / Range (Average[1])	
	At June 30, 2026	At December 31, 2025
Foreign exchange[2]	**$ 38**	$ 36
Option model:		
IR curve	**-1% to 7% (1% / 0%)**	-1% to 10% (2% / 1%)
Foreign exchange volatility skew	**6% to 11% (8% / 8%)**	6% to 10% (8% / 8%)
Contingency probability	**90% to 95% (95% / 95%)**	80% to 95% (95% / 95%)
Equity[2]	**$ (1,763)**	$ (1,433)
Option model:		
Equity volatility	**1% to 130% (33%)**	1% to 133% (27%)
Equity volatility skew	**-12% to 2% (-1%)**	-11% to 3% (-1%)
Equity correlation	**-8% to 99% (58%)**	0% to 100% (57%)
FX correlation	**-80% to 90% (-31%)**	-90% to 90% (-30%)
IR correlation	**-20% to 84% (19%)**	-5% to 16% (15%)
Commodity and other	**$ 1,317**	$ 920
Option model:		
Forward power price	**$5 to $142 ($63) per MWh**	$5 to $141 ($59) per MWh
Forward natural gas price	**$1 to $9 ($3) per MMBTu**	N/M
Commodity volatility	**14% to 170% (28%)**	6% to 137% (29%)
Cross-commodity correlation	**61% to 99% (96%)**	54% to 99% (98%)
Securities sold under agreements to repurchase	**$ 444**	$ 445
Discounted cash flow:		
Funding spread	**21 to 139 bps (69 / 61 bps)**	18 to 109 bps (63 / 63 bps)
Other secured financings	**$ 128**	$ 306
Comparable pricing:		
Loan price	**58 to 93 points (61 points)**	0 to 98 points (66 points)
Borrowings	**$ 804**	$ 608
Option model:		
Equity volatility	**9% to 105% (32%)**	5% to 102% (44%)
Equity volatility skew	**-2% to 1% (-1%)**	-3% to 1% (-1%)
Equity correlation	**20% to 100% (85%)**	20% to 100% (84%)
Equity - FX correlation	**-80% to 21% (-27%)**	-70% to 30% (-19%)
Credit default swap model:		
Credit spread	**317 to 317 bps (317 bps)**	325 to 325 bps (325 bps)
Discounted cash flow:		
Loss given default	**40% to 40% (40% / 40%)**	40% to 40% (40% / 40%)
Nonrecurring Fair Value Measurement		
Loans	**$ 1,773**	$ 1,319
Corporate loan model:		
Credit spread	**94 to 434 bps (249 bps)**	87 to 967 bps (272 bps)
Comparable pricing:		
Loan price	**35 to 85 points (71 points)**	50 to 100 points (67 points)
Warehouse model:		
Credit spread	**65 to 115 bps (98 bps)**	66 to 113 bps (82 bps)

Points—Percentage of par
IR—Interest rate
FX—Foreign exchange

1. A single amount is disclosed for range and average when there is no significant difference between the minimum, maximum and average. Amounts represent weighted averages except where simple averages and the median of the inputs are more relevant.
2. Includes derivative contracts with multiple risks (*i.e.*, hybrid products).

The previous table provides information on the valuation techniques, significant unobservable inputs, and the ranges and averages for each major category of assets and liabilities measured at fair value on a recurring and nonrecurring basis with a significant Level 3 balance. The level of aggregation and breadth of products cause the range of inputs to be wide and not evenly distributed across the inventory of financial instruments. Further, the range of unobservable inputs may differ across firms in the financial services industry because of diversity in the types of products included in each firm's inventory. Generally, there are no predictable relationships between multiple significant unobservable inputs attributable to a given valuation technique.

For a description of the Firm's significant unobservable inputs and qualitative information about the effect of hypothetical changes in the values of those inputs, see Note 4 to the financial statements in the 2025 Form 10-K. During the three months ended June 30, 2026, there were no significant revisions made to the descriptions of the Firm's significant unobservable inputs.

Net Asset Value Measurements

Fund Interests

$ in millions	At June 30, 2026 Carrying Value	At June 30, 2026 Commitment	At December 31, 2025 Carrying Value	At December 31, 2025 Commitment
Private equity and other	**$ 3,507**	**$ 605**	$ 3,110	$ 671
Real estate	**3,539**	**505**	3,551	246
Hedge	**80**	**1**	72	1
Total	**$ 7,126**	**$ 1,111**	$ 6,733	$ 918

Amounts in the previous table represent the Firm's carrying value of general and limited partnership interests in fund investments, as well as any related performance-based income in the form of carried interest. The carrying amounts are measured based on the NAV of the fund taking into account the distribution terms applicable to the interest held. This same measurement applies whether the fund investments are accounted for under the equity method or fair value.

For a description of the Firm's investments in private equity and other funds, real estate funds and hedge funds, which are measured based on NAV, see Note 4 to the financial statements in the 2025 Form 10-K.

See Note 13 for information regarding general partner guarantees, which include potential obligations to return performance fee distributions previously received. See Note 19 for information regarding unrealized carried interest at risk of reversal.

Nonredeemable Funds by Contractual Maturity

$ in millions	Carrying Value at June 30, 2026 Private Equity and Other	Carrying Value at June 30, 2026 Real Estate
Less than 5 years	**$ 1,067**	**$ 2,424**
5-10 years	**1,585**	**1,077**
Over 10 years	**855**	**38**
Total	**$ 3,507**	**$ 3,539**

Nonrecurring Fair Value Measurements

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

$ in millions	At June 30, 2026 Fair Value Level 2	Level 3[1]	Total
Assets			
Loans	**$ 2,336**	**$ 1,773**	**$ 4,109**
Other assets—Other investments	**—**	**—**	**—**
Other assets—ROU assets	**—**	**—**	**—**
Total	**$ 2,336**	**$ 1,773**	**$ 4,109**
Liabilities			
Other liabilities and accrued expenses—Lending commitments	**$ 78**	**$ 30**	**$ 108**
Total	**$ 78**	**$ 30**	**$ 108**

$ in millions	At December 31, 2025 Fair Value Level 2	Level 3[1]	Total
Assets			
Loans	$ 2,385	$ 1,319	$ 3,704
Other assets—Other investments	—	64	64
Other assets—ROU assets	20	—	20
Total	$ 2,405	$ 1,383	$ 3,788
Liabilities			
Other liabilities and accrued expenses—Lending commitments	$ 53	$ 18	$ 71
Total	$ 53	$ 18	$ 71

1. For significant Level 3 balances, refer to "Significant Unobservable Inputs Used in Recurring and Nonrecurring Level 3 Fair Value Measurements" section herein for details of the significant unobservable inputs used for nonrecurring fair value measurement.

Gains (Losses) from Nonrecurring Fair Value Remeasurements[1]

$ in millions	Three Months Ended June 30, **2026**	Three Months Ended June 30, 2025	Six Months Ended June 30, **2026**	Six Months Ended June 30, 2025
Assets				
Loans[2]	**$ (127)**	$ (170)	**$ (252)**	$ (200)
Other assets—Other investments[3]	**—**	—	**—**	(6)
Other assets—Premises, equipment and software[4]	**(5)**	(40)	**(6)**	(45)
Other assets—ROU assets[5]	**—**	(1)	**—**	(1)
Total	**$ (132)**	$ (211)	**$ (258)**	$ (252)
Liabilities				
Other liabilities and accrued expenses—Lending commitments[2]	**$ 9**	$ (3)	**$ (1)**	$ (8)
Total	**$ 9**	$ (3)	**$ (1)**	$ (8)

1. Gains and losses for Loans and Other assets—Other investments are classified in Other revenues and gains and losses for Other assets—ROU assets are recorded in Occupancy and equipment or Information processing and communication expenses. For other items, gains and losses are recorded in Other revenues if the item is held for sale; otherwise, they are recorded in Other expenses.

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2. Nonrecurring changes in the fair value of loans and lending commitments, which exclude the impact of related economic hedges, are calculated as follows: for the held-for-investment category, based on the value of the underlying collateral; and for the held-for-sale category, based on recently executed transactions, market price quotations, valuation models that incorporate market observable inputs where possible, such as comparable loan or debt prices and CDS spread levels adjusted for any basis difference between cash and derivative instruments, or default recovery analysis where such transactions and quotations are unobservable.
3. Losses related to Other assets—Other investments were determined using techniques that included discounted cash flow models, methodologies that incorporate multiples of certain comparable companies and recently executed transactions.
4. Losses related to Other assets—Premises, equipment and software generally include impairments as well as write-offs related to the disposal of certain assets.
5. Losses related to Other Assets—ROU assets include impairments related to the discontinued leased properties.

Financial Instruments Not Measured at Fair Value

	At June 30, 2026				
	Carrying	Fair Value			
$ in millions	Value	Level 1	Level 2	Level 3	Total
Financial assets					
Cash and cash equivalents	$ 160,135	$160,135	$ —	$ —	$160,135
Investment securities—HTM	47,747	7,751	31,042	1,445	40,238
Securities purchased under agreements to resell	129,407	—	128,885	522	129,407
Securities borrowed	181,358	—	181,359	—	181,359
Customer and other receivables	143,415	—	138,498	4,818	143,316
Loans[1]					
Held for investment	289,318	—	29,397	257,857	287,254
Held for sale	13,057	—	8,119	4,986	13,105
Other assets	1,315	—	1,315	—	1,315
Financial liabilities					
Deposits	$ 437,421	$ —	$437,794	$ —	$437,794
Securities sold under agreements to repurchase	101,315	—	101,268	—	101,268
Securities loaned	20,736	—	20,734	—	20,734
Other secured financings	10,358	—	10,354	—	10,354
Customer and other payables	279,045	—	279,045	—	279,045
Borrowings	245,042	—	248,359	227	248,586
	Commitment Amount				
Lending commitments[2]	$ 225,633	$ —	$ 1,238	$ 1,186	$ 2,424

	At December 31, 2025				
	Carrying	Fair Value			
$ in millions	Value	Level 1	Level 2	Level 3	Total
Financial assets					
Cash and cash equivalents	$ 111,695	$111,695	$ —	$ —	$111,695
Investment securities—HTM	53,090	11,636	32,622	1,357	45,615
Securities purchased under agreements to resell	120,243	—	119,273	1,003	120,276
Securities borrowed	151,908	—	151,909	—	151,909
Customer and other receivables	108,189	—	103,458	4,682	108,140
Loans[1]					
Held for investment	268,720	—	27,243	238,800	266,043
Held for sale	9,374	—	5,692	3,703	9,395
Other assets	704	—	704	—	704
Financial liabilities					
Deposits	$ 406,768	$ —	$407,350	$ —	$407,350
Securities sold under agreements to repurchase	77,843	—	77,832	—	77,832
Securities loaned	17,310	—	17,313	—	17,313
Other secured financings	4,732	—	4,729	—	4,729
Customer and other payables	226,342	—	226,342	—	226,342
Borrowings	216,456	—	220,547	200	220,747
	Commitment Amount				
Lending commitments[2]	$ 208,435	$ —	$ 1,145	$ 1,087	$ 2,232

1. Amounts include loans measured at fair value on a nonrecurring basis.
2. Represents Lending commitments accounted for as Held for Investment and Held for Sale. For a further discussion on lending commitments, see Note 13.

The previous tables exclude all non-financial assets and liabilities, such as Goodwill and Intangible assets, and certain financial instruments, such as equity method investments and certain receivables.

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5. Fair Value Option

The Firm has elected the fair value option for certain eligible instruments that are risk managed on a fair value basis to mitigate income statement volatility caused by measurement basis differences between the elected instruments and their associated risk management transactions or to eliminate complexities of applying certain accounting models.

Borrowings Measured at Fair Value on a Recurring Basis

$ in millions	At June 30, 2026	At December 31, 2025
Business Unit Responsible for Risk Management		
Equity	**$ 73,349**	$ 64,457
Interest rates	**50,727**	46,394
Commodities	**14,212**	13,665
Credit	**6,702**	6,094
Foreign exchange	**2,524**	1,869
Total	**$ 147,514**	$ 132,479

Net Revenues from Liabilities under the Fair Value Option

$ in millions	Trading Revenues	Interest Expense	Net Revenues[1]
Three Months Ended June 30, 2026			
Borrowings	**$ (5,859)**	**$ 325**	**$ (6,184)**
Deposits	**(93)**	**59**	**(152)**
Three Months Ended June 30, 2025			
Borrowings	$ (5,977)	$ 241	$ (6,218)
Deposits	(88)	54	(142)

$ in millions	Trading Revenues	Interest Expense	Net Revenues[1]
Six Months Ended June 30, 2026			
Borrowings	**$ (3,314)**	**$ 663**	**$ (3,977)**
Deposits	**(32)**	**120**	**(152)**
Six Months Ended June 30, 2025			
Borrowings	$ (7,765)	$ 441	$ (8,206)
Deposits	$ (125)	$ 107	$ (232)

1. Amounts do not reflect any gains or losses from related economic hedges.

Gains (losses) from changes in fair value are recorded in Trading revenues and are mainly attributable to movements in the reference price or index, interest rates or foreign exchange rates.

Gains (Losses) Due to Changes in Instrument-Specific Credit Risk

	Three Months Ended June 30,			
	2026		2025	
$ in millions	Trading Revenues	OCI	Trading Revenues	OCI
Loans and other receivables[1]	**$ 42**	**$ —**	$ (45)	$ —
Lending commitments	**(2)**	**—**	(1)	—
Deposits	**—**	**(6)**	—	15
Borrowings	**(4)**	**(829)**	(3)	(248)

	Six Months Ended June 30,			
	2026		2025	
$ in millions	Trading Revenues	OCI	Trading Revenues	OCI
Loans and other receivables[1]	**$ 58**	**$ —**	$ (51)	$ —
Lending commitments	**(5)**	**—**	(2)	—
Deposits	**—**	**2**	—	65
Borrowings	**(13)**	**792**	(12)	150

$ in millions	At June 30, 2026	At December 31, 2025
Cumulative pre-tax DVA gain (loss) recognized in AOCI	**$ (3,211)**	$ (4,005)

1. Loans and other receivables-specific credit gains (losses) were determined by excluding the non-credit components of gains and losses.

Difference Between Contractual Principal and Fair Value[1]

$ in millions	At June 30, 2026	At December 31, 2025
Loans and other receivables[2]	**$ 11,156**	$ 10,746
Nonaccrual loans[2]	**7,943**	8,146
Borrowings[3]	**3,906**	3,680

1. Amounts indicate contractual principal greater than or (less than) fair value.
2. The majority of the difference between principal and fair value amounts for loans and other receivables relates to distressed debt positions purchased at amounts well below par.
3. Excludes borrowings where the repayment of the initial principal amount fluctuates based on changes in a reference price or index.

The previous tables exclude non-recourse debt from consolidated VIEs, liabilities related to transfers of financial assets treated as collateralized financings, pledged commodities and other liabilities that have specified assets attributable to them.

Fair Value Loans on Nonaccrual Status

$ in millions	At June 30, 2026	At December 31, 2025
Nonaccrual loans	**$ 1,109**	$ 1,240
Nonaccrual loans 90 or more days past due	**99**	124

6. Derivative Instruments and Hedging Activities

Fair Values of Derivative Contracts

	Assets at June 30, 2026			
$ in millions	Bilateral OTC	Cleared OTC	Exchange-Traded	Total
Designated as accounting hedges				
Interest rate	$ 6	$ —	$ —	$ 6
Foreign exchange	295	136	—	431
Total	301	136	—	437
Not designated as accounting hedges				
Economic hedges of loans				
Credit	19	115	—	134
Other derivatives				
Interest rate	111,030	11,636	194	122,860
Credit	5,832	4,977	—	10,809
Foreign exchange	99,783	5,001	37	104,821
Equity	48,250	—	87,970	136,220
Commodity and other	12,715	—	3,726	16,441
Total	277,629	21,729	91,927	391,285
Total gross derivatives	$ 277,930	$ 21,865	$ 91,927	$ 391,722
Amounts offset				
Counterparty netting	(201,656)	(19,639)	(87,371)	(308,666)
Cash collateral netting	(40,715)	(2,064)	—	(42,779)
Total in Trading assets	$ 35,559	$ 162	$ 4,556	$ 40,277
Amounts not offset[1]				
Financial instruments collateral	(15,566)	—	—	(15,566)
Net amounts	$ 19,993	$ 162	$ 4,556	$ 24,711
Amounts for which master netting or collateral agreements are not in place or may not be legally enforceable, included in Net amounts				$ 3,279

	Liabilities at June 30, 2026			
$ in millions	Bilateral OTC	Cleared OTC	Exchange-Traded	Total
Designated as accounting hedges				
Interest rate	$ 501	$ 32	$ —	$ 533
Foreign exchange	31	25	—	56
Equity	5	—	—	5
Total	537	57	—	594
Not designated as accounting hedges				
Economic hedges of loans				
Credit	45	951	—	996
Economic hedges of DCP				
Equity	24	—	—	24
Other derivatives				
Interest rate	100,627	10,831	162	111,620
Credit	5,935	4,347	—	10,282
Foreign exchange	91,149	4,451	174	95,774
Equity	95,510	—	90,001	185,511
Commodity and other	12,798	—	3,669	16,467
Total	306,088	20,580	94,006	420,674
Total gross derivatives	$ 306,625	$ 20,637	$ 94,006	$ 421,268
Amounts offset				
Counterparty netting	(201,656)	(19,639)	(87,371)	(308,666)
Cash collateral netting	(49,849)	(570)	—	(50,419)
Total in Trading liabilities	$ 55,120	$ 428	$ 6,635	$ 62,183
Amounts not offset[1]				
Financial instruments collateral	(8,693)	—	(2,462)	(11,155)
Net amounts	$ 46,427	$ 428	$ 4,173	$ 51,028
Amounts for which master netting or collateral agreements are not in place or may not be legally enforceable, included in Net amounts				7,444

	Assets at December 31, 2025			
$ in millions	Bilateral OTC	Cleared OTC	Exchange-Traded	Total
Designated as accounting hedges				
Interest rate	$ 4	$ —	$ —	$ 4
Foreign exchange	152	82	—	234
Total	156	82	—	238
Not designated as accounting hedges				
Economic hedges of loans				
Credit	3	32	—	35
Other derivatives				
Interest rate	114,368	13,255	58	127,681
Credit	4,962	5,347	—	10,309
Foreign exchange	81,613	4,269	29	85,911
Equity	30,392	—	62,737	93,129
Commodity and other	13,953	—	2,509	16,462
Total	245,291	22,903	65,333	333,527
Total gross derivatives	$ 245,447	$ 22,985	$ 65,333	$ 333,765
Amounts offset				
Counterparty netting	(174,466)	(21,165)	(62,796)	(258,427)
Cash collateral netting	(37,004)	(1,544)	—	(38,548)
Total in Trading assets	$ 33,977	$ 276	$ 2,537	$ 36,790
Amounts not offset[1]				
Financial instruments collateral	(15,097)	—	—	(15,097)
Net amounts	$ 18,880	$ 276	$ 2,537	$ 21,693
Amounts for which master netting or collateral agreements are not in place or may not be legally enforceable, included in Net amounts				$ 3,084

	Liabilities at December 31, 2025			
$ in millions	Bilateral OTC	Cleared OTC	Exchange-Traded	Total
Designated as accounting hedges				
Interest rate	$ 532	$ 29	$ —	$ 561
Foreign exchange	111	22	—	133
Total	643	51	—	694
Not designated as accounting hedges				
Economic hedges of loans				
Credit	45	586	—	631
Other derivatives				
Interest rate	103,066	12,162	66	115,294
Credit	5,292	4,773	—	10,065
Foreign exchange	78,597	4,271	85	82,953
Equity	60,908	—	62,425	123,333
Commodity and other	12,578	—	2,598	15,176
Total	260,486	21,792	65,174	347,452
Total gross derivatives	$ 261,129	$ 21,843	$ 65,174	$ 348,146
Amounts offset				
Counterparty netting	(174,466)	(21,165)	(62,796)	(258,427)
Cash collateral netting	(47,336)	(358)	—	(47,694)
Total in Trading liabilities	$ 39,327	$ 320	$ 2,378	$ 42,025
Amounts not offset[1]				
Financial instruments collateral	(7,181)	(34)	(743)	(7,958)
Net amounts	$ 32,146	$ 286	$ 1,635	$ 34,067
Amounts for which master netting or collateral agreements are not in place or may not be legally enforceable, included in Net amounts				$ 5,345

1. Amounts relate to master netting agreements and collateral agreements that have been determined by the Firm to be legally enforceable in the event of default but where certain other netting criteria are not met in accordance with applicable offsetting accounting guidance.

See Note 4 for information related to the unsettled fair value of futures contracts not designated as accounting hedges, which are excluded from the previous tables.

Notionals of Derivative Contracts

$ in billions	Assets at June 30, 2026			
	Bilateral OTC	Cleared OTC	Exchange-Traded	Total
Designated as accounting hedges				
Interest rate	$ —	$ 98	$ —	$ 98
Foreign exchange	14	4	—	18
Total	14	102	—	116
Not designated as accounting hedges				
Economic hedges of loans				
Credit	—	2	—	2
Other derivatives				
Interest rate	4,810	6,460	899	12,169
Credit	303	183	—	486
Foreign exchange	4,101	305	15	4,421
Equity	994	—	1,006	2,000
Commodity and other	152	—	95	247
Total	10,360	6,950	2,015	19,325
Total gross derivatives	$ 10,374	$ 7,052	$ 2,015	$ 19,441

$ in billions	Liabilities at June 30, 2026			
	Bilateral OTC	Cleared OTC	Exchange-Traded	Total
Designated as accounting hedges				
Interest rate	$ 2	$ 338	$ —	$ 340
Foreign exchange	8	2	—	10
Equity	1	—	—	1
Total	11	340	—	351
Not designated as accounting hedges				
Economic hedges of loans				
Credit	2	27	—	29
Economic hedges of DCP				
Equity	5	—	—	5
Other derivatives				
Interest rate	4,996	6,587	1,055	12,638
Credit	310	179	—	489
Foreign exchange	4,027	278	19	4,324
Equity	1,054	—	1,403	2,457
Commodity and other	123	—	109	232
Total	10,517	7,071	2,586	20,174
Total gross derivatives	$ 10,528	$ 7,411	$ 2,586	$ 20,525

$ in billions	Assets at December 31, 2025			
	Bilateral OTC	Cleared OTC	Exchange-Traded	Total
Designated as accounting hedges				
Interest rate	$ —	$ 183	$ —	$ 183
Foreign exchange	10	4	—	14
Total	10	187	—	197
Not designated as accounting hedges				
Economic hedges of loans				
Credit	—	—	—	—
Other derivatives				
Interest rate	4,779	4,143	574	9,496
Credit	248	170	—	418
Foreign exchange	3,641	238	10	3,889
Equity	813	—	813	1,626
Commodity and other	143	—	78	221
Total	9,624	4,551	1,475	15,650
Total gross derivatives	$ 9,634	$ 4,738	$ 1,475	$ 15,847

$ in billions	Liabilities at December 31, 2025			
	Bilateral OTC	Cleared OTC	Exchange-Traded	Total
Designated as accounting hedges				
Interest rate	$ 3	$ 243	$ —	$ 246
Foreign exchange	11	2	—	13
Total	14	245	—	259
Not designated as accounting hedges				
Economic hedges of loans				
Credit	2	17	—	19
Other derivatives				
Interest rate	5,041	3,943	715	9,699
Credit	222	171	—	393
Foreign exchange	3,791	233	19	4,043
Equity	945	—	1,085	2,030
Commodity and other	119	—	86	205
Total	10,120	4,364	1,905	16,389
Total gross derivatives	$ 10,134	$ 4,609	$ 1,905	$ 16,648

The notional amounts of derivative contracts generally overstate the Firm's exposure. In most circumstances, notional amounts are used only as a reference point from which to calculate amounts owed between the parties to the contract. Furthermore, notional amounts do not reflect the benefit of legally enforceable netting arrangements or risk mitigating transactions.

For a discussion of the Firm's derivative instruments and hedging activities, see Note 6 to the financial statements in the 2025 Form 10-K.

Notes to Consolidated Financial Statements (Unaudited)

Gains (Losses) on Accounting Hedges

$ in millions	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Fair value hedges—Recognized in Interest income				
Interest rate contracts	**$ 322**	$ (309)	**$ 613**	$ (802)
Investment Securities—AFS	**(313)**	320	**(596)**	823
Fair value hedges—Recognized in Interest expense				
Interest rate contracts	**$ (1,297)**	$ 1,544	**$ (2,550)**	$ 3,862
Deposits	**246**	(29)	**498**	(78)
Borrowings	**1,055**	(1,518)	**2,064**	(3,790)
Net investment hedges—Foreign exchange contracts				
Recognized in OCI	**$ 172**	$ (968)	**$ 389**	$ (1,404)
Forward points excluded from hedge effectiveness testing—Recognized in Interest income	**(4)**	30	**59**	47
Cash flow hedges—Interest rate contracts[1]				
Recognized in OCI	**$ (410)**	$ (4)	**$ (748)**	$ 13
Less: Realized gains (losses) (pre-tax) reclassified from AOCI to interest income	**(11)**	(25)	**(15)**	(31)
Net change in cash flow hedges included within AOCI	**(399)**	21	**(733)**	44
Cash flow hedges—Equity contracts[1]				
Recognized in OCI	**$ 131**	$ —	**$ 73**	$ —
Less: Realized gains (losses) (pre-tax) reclassified from AOCI to Compensation and benefits expense	**5**	—	**4**	—
Net change in cash flow hedges included within AOCI	**126**	—	**69**	—

1. During the six months ended June 30, 2026, there were no forecasted transactions that failed to occur. The net gains (losses) associated with cash flow hedges expected to be reclassified from AOCI within 12 months as of June 30, 2026, is approximately $(51) million. The maximum length of time over which forecasted cash flows are hedged is 34 months.

Fair Value Hedges—Hedged Items

$ in millions	At June 30, 2026	At December 31, 2025
Investment Securities—AFS		
Amortized cost basis currently or previously hedged[1]	**$ 46,402**	$ 55,451
Basis adjustments included in amortized cost[2]	**$ (269)**	$ 217
Deposits		
Carrying amount currently or previously hedged	**$ 53,354**	$ 53,224
Basis adjustments included in carrying amount[2]	**$ (322)**	$ 149
Borrowings		
Carrying amount currently or previously hedged	**$ 225,898**	$ 199,274
Basis adjustments included in carrying amount—Outstanding hedges	**$ (8,282)**	$ (6,252)
Basis adjustments included in carrying amount—Terminated hedges	**$ (588)**	$ (625)

1. Carrying amount represents the amortized cost. As of June 30, 2026, and December 31, 2025, the amortized cost of the portfolio layer method closed portfolios was $759 million and $589 million, respectively. The Firm designated $1,273 million and $703 million as hedged amounts as of June 30, 2026, and December 31, 2025, respectively, representing the total notional value of all outstanding layers in each portfolio, including both spot-starting and forward-starting layers. The cumulative amount of basis adjustments was $(1.1) million as of June 30, 2026 and $2 million as of December 31, 2025. Refer to Note 2 to the financial statements in the 2025 Form 10-K and Note 7 herein for additional information.
2. Hedge accounting basis adjustments are primarily related to outstanding hedges.

Gains (Losses) on Economic Hedges of Loans and DCP

$ in millions	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Recognized in Other revenues				
Credit contracts[1]	**$ (154)**	$ (74)	**$ (172)**	$ (91)
Recognized in Compensation and benefits expense				
Equity contracts	**$ 466**	$ —	**$ 383**	$ —

1. Amounts related to hedges of certain held-for-investment and held-for-sale loans.

Net Derivative Liabilities and Collateral Posted

$ in millions	At June 30, 2026	At December 31, 2025
Net derivative liabilities with credit risk-related contingent features	**$ 28,512**	$ 26,023
Collateral posted	**20,869**	20,152

The previous table presents the aggregate fair value of certain derivative contracts that contain credit risk-related contingent features that are in a net liability position for which the Firm has posted collateral in the normal course of business.

Incremental Collateral and Termination Payments upon Potential Future Ratings Downgrade

$ in millions	At June 30, 2026
One-notch downgrade	$ 427
Two-notch downgrade	448
Bilateral downgrade agreements included in the amounts above[1]	$ 614

1. Amount represents arrangements between the Firm and other parties where upon the downgrade of one party, the downgraded party must deliver collateral to the other party. These bilateral downgrade arrangements are used by the Firm to manage the risk of counterparty downgrades.

The additional collateral or termination payments that may be called in the event of a future credit rating downgrade vary by contract and can be based on ratings by Moody's Investors Service, Inc., S&P Global Ratings and/or other rating agencies. The previous table shows the future potential collateral amounts and termination payments that could be called or required by counterparties or exchange and clearing organizations in the event of one-notch or two-notch downgrade scenarios based on the relevant contractual downgrade triggers.

Maximum Potential Payout/Notional of Credit Protection Sold[1]

	Years to Maturity at June 30, 2026				
$ in billions	< 1	1-3	3-5	Over 5	Total
Single-name CDS					
Investment grade	$ 20	$ 37	$ 44	$ 11	$ 112
Non-investment grade	8	14	15	1	38
Total	$ 28	$ 51	$ 59	$ 12	$ 150
Index and basket CDS					
Investment grade	$ 7	$ 9	$ 14	$ —	$ 30
Non-investment grade	10	42	237	20	309
Total	$ 17	$ 51	$ 251	$ 20	$ 339
Total CDS sold	$ 45	$ 102	$ 310	$ 32	$ 489
Other credit contracts	—	—	—	3	3
Total credit protection sold	$ 45	$ 102	$ 310	$ 35	$ 492
CDS protection sold with identical protection purchased					$ 407

	Years to Maturity at December 31, 2025				
$ in billions	< 1	1-3	3-5	Over 5	Total
Single-name CDS					
Investment grade	$ 16	$ 34	$ 37	$ 11	$ 98
Non-investment grade	8	17	16	1	42
Total	$ 24	$ 51	$ 53	$ 12	$ 140
Index and basket CDS					
Investment grade	$ 7	$ 8	$ 8	$ —	$ 23
Non-investment grade	7	32	173	18	230
Total	$ 14	$ 40	$ 181	$ 18	$ 253
Total CDS sold	$ 38	$ 91	$ 234	$ 30	$ 393
Other credit contracts	—	—	—	3	3
Total credit protection sold	$ 38	$ 91	$ 234	$ 33	$ 396
CDS protection sold with identical protection purchased					$ 339

Fair Value Asset (Liability) of Credit Protection Sold[1]

$ in millions	At June 30, 2026	At December 31, 2025
Single-name CDS		
Investment grade	$ 2,657	$ 2,394
Non-investment grade	689	777
Total	$ 3,346	$ 3,171
Index and basket CDS		
Investment grade	$ 1,140	$ 907
Non-investment grade	972	1,021
Total	$ 2,112	$ 1,928
Total CDS sold	$ 5,458	$ 5,099
Other credit contracts	122	146
Total credit protection sold	$ 5,580	$ 5,245

1. Investment grade/non-investment grade determination is based on the internal credit rating of the reference obligation. Internal credit ratings serve as the CRM's assessment of credit risk and the basis for a comprehensive credit limits framework used to control credit risk. The Firm uses quantitative models and judgment to estimate the various risk parameters related to each obligor.

Protection Purchased with CDS

	Notional	
$ in billions	At June 30, 2026	At December 31, 2025
Single name	$ 177	$ 172
Index and basket	296	232
Tranched index and basket	41	32
Total	$ 514	$ 436

	Fair Value Asset (Liability)	
$ in millions	At June 30, 2026	At December 31, 2025
Single name	$ (3,311)	$ (3,363)
Index and basket	(1,346)	(1,209)
Tranched index and basket	(1,248)	(1,000)
Total	$ (5,905)	$ (5,572)

The Firm enters into credit derivatives, principally CDS, under which it receives or provides protection against the risk of default on a set of debt obligations issued by a specified reference entity or entities. A majority of the Firm's counterparties for these derivatives are banks, broker-dealers, and insurance and other financial institutions.

The fair value amounts as shown in the previous tables are prior to cash collateral or counterparty netting. For further information on credit derivatives and other credit contracts, see Note 6 to the financial statements in the 2025 Form 10-K.

7. Investment Securities

AFS and HTM Securities

$ in millions	At June 30, 2026 Amortized Cost[1]	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
AFS securities				
U.S. Treasury securities	**$ 76,066**	**$ 85**	**$ 125**	**$ 76,026**
U.S. agency securities[2]	**24,131**	**35**	**1,962**	**22,204**
Agency CMBS	**5,006**	**1**	**270**	**4,737**
State and municipal securities	**2,142**	**20**	**9**	**2,153**
FFELP student loan ABS[3]	**417**	**1**	**6**	**412**
Unallocated basis adjustment[4]	**(1)**	**1**	**—**	**—**
Total AFS securities	**107,761**	**143**	**2,372**	**105,532**
HTM securities				
U.S. Treasury securities	**8,455**	**—**	**704**	**7,751**
U.S. agency securities[2]	**36,738**	**45**	**6,802**	**29,981**
Agency CMBS	**589**	**—**	**38**	**551**
Non-agency mortgage-backed securities	**1,965**	**38**	**48**	**1,955**
Total HTM securities	**47,747**	**83**	**7,592**	**40,238**
Total investment securities	**$ 155,508**	**$ 226**	**$ 9,964**	**$ 145,770**

$ in millions	At December 31, 2025 Amortized Cost[1]	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
AFS securities				
U.S. Treasury securities	$ 80,745	$ 187	$ 25	$ 80,907
U.S. agency securities[2]	24,031	24	1,943	22,112
Agency CMBS	5,504	1	286	5,219
State and municipal securities	1,754	10	17	1,747
FFELP student loan ABS[3]	486	1	6	481
Unallocated basis adjustment[4]	2	—	2	—
Total AFS securities	112,522	223	2,279	110,466
HTM securities				
U.S. Treasury securities	12,299	—	663	11,636
U.S. agency securities[2]	38,303	67	6,785	31,585
Agency CMBS	709	—	43	666
Non-agency mortgage-backed securities	1,779	12	63	1,728
Total HTM securities	53,090	79	7,554	45,615
Total investment securities	$ 165,612	$ 302	$ 9,833	$ 156,081

1. Amounts are net of any ACL.
2. U.S. agency securities consist mainly of agency mortgage pass-through pool securities, CMOs and agency-issued debt.
3. Underlying loans are backed by a guarantee, ultimately from the U.S. Department of Education, of at least 95% of the principal balance and interest outstanding.
4. Represents the amount of unallocated portfolio layer method basis adjustments related to AFS securities hedged in a closed portfolio. Portfolio layer method basis adjustments are not allocated to individual securities. Refer to Note 2 and Note 6 herein for additional information.

AFS Securities in an Unrealized Loss Position

$ in millions	At June 30, 2026 Fair Value	At June 30, 2026 Gross Unrealized Losses	At December 31, 2025 Fair Value	At December 31, 2025 Gross Unrealized Losses
U.S. Treasury securities				
Less than 12 months	**$ 25,843**	**$ 124**	$ 47	$ —
12 months or longer	**332**	**1**	7,440	25
Total	**26,175**	**125**	7,487	25
U.S. agency securities				
Less than 12 months	**1,465**	**2**	75	—
12 months or longer	**14,735**	**1,960**	17,290	1,943
Total	**16,200**	**1,962**	17,365	1,943
Agency CMBS				
Less than 12 months	**309**	**1**	133	—
12 months or longer	**4,109**	**269**	4,675	286
Total	**4,418**	**270**	4,808	286
State and municipal securities				
Less than 12 months	**80**	**1**	360	4
12 months or longer	**347**	**8**	382	13
Total	**427**	**9**	742	17
FFELP student loan ABS				
12 months or longer	**339**	**6**	383	6
Total	**339**	**6**	383	6
Unallocated basis adjustment	**—**	**—**	—	2
Total AFS securities in an unrealized loss position				
Less than 12 months	**27,697**	**128**	615	4
12 months or longer	**19,862**	**2,244**	30,170	2,273
Unallocated basis adjustment	**—**	**—**	—	2
Total	**$ 47,559**	**$ 2,372**	$ 30,785	$ 2,279

For AFS securities, the Firm believes there are no securities in an unrealized loss position that have credit losses after performing the analysis described in Note 2 in the 2025 Form 10-K and the Firm expects to recover the amortized cost basis of these securities. Additionally, the Firm does not intend to sell these securities and is not likely to be required to sell these securities prior to recovery of the amortized cost basis. As of June 30, 2026 and December 31, 2025, the securities in an unrealized loss position are predominantly investment grade.

The HTM securities net carrying amounts at June 30, 2026 and December 31, 2025 reflect an ACL of $60 million and $60 million, respectively, predominantly related to Non-agency mortgage-backed securities. See Note 2 in the 2025 Form 10-K for a description of the ACL methodology used for HTM Securities.

As of June 30, 2026 and December 31, 2025, 96% and 97%, respectively, of the Firm's portfolio of HTM securities were investment grade U.S. agency securities, U.S. Treasury securities and Agency CMBS, which were on accrual status and for which there is an underlying assumption of zero credit losses. Non-investment grade HTM securities primarily consisted of certain Non-agency mortgage-backed securities, for which the expected credit losses were insignificant and were predominantly on accrual status at June 30, 2026 and December 31, 2025.

See Note 14 for additional information on securities issued by VIEs, including U.S. agency mortgage-backed securities, non-agency mortgage-backed securities, and FFELP student loan ABS.

Investment Securities by Contractual Maturity

$ in millions	At June 30, 2026 Amortized Cost[1]	Fair Value	Annualized Average Yield[2,3]
AFS securities			
U.S. Treasury securities:			
Due within 1 year	$ 32,554	$ 32,536	4.0 %
After 1 year through 5 years	43,438	43,415	3.9 %
After 5 years through 10 years	74	75	4.2 %
Total	76,066	76,026	
U.S. agency securities:			
Due within 1 year	7	8	1.4 %
After 1 year through 5 years	254	240	1.8 %
After 5 years through 10 years	253	229	1.5 %
After 10 years	23,617	21,727	3.3 %
Total	24,131	22,204	
Agency CMBS:			
Due within 1 year	305	303	2.2 %
After 1 year through 5 years	3,612	3,536	1.9 %
After 5 years through 10 years	174	170	1.6 %
After 10 years	915	728	1.6 %
Total	5,006	4,737	
State and municipal securities:			
Due within 1 year	722	723	4.3 %
After 1 year through 5 years	126	123	4.8 %
After 5 years through 10 years	312	314	4.6 %
After 10 Years	982	993	4.6 %
Total	2,142	2,153	
FFELP student loan ABS:			
Due within 1 year	54	52	4.7 %
After 1 year through 5 years	63	61	4.6 %
After 5 years through 10 years	4	4	0.9 %
After 10 years	296	295	4.7 %
Total	417	412	
Unallocated basis adjustment[4]	(1)	—	—
Total AFS securities	$ 107,761	$ 105,532	3.7 %

$ in millions	At June 30, 2026 Amortized Cost[1]	Fair Value	Annualized Average Yield[2]
HTM securities			
U.S. Treasury securities:			
Due within 1 year	$ 1,651	$ 1,630	2.2 %
After 1 year through 5 years	5,252	5,050	2.7 %
After 10 years	1,552	1,071	2.3 %
Total	8,455	7,751	
U.S. agency securities:			
After 1 year through 5 years	127	121	2.0 %
After 5 years through 10 years	13	12	2.4 %
After 10 years	36,598	29,848	2.1 %
Total	36,738	29,981	
Agency CMBS:			
Due within 1 year	282	278	1.4 %
After 1 year through 5 years	193	180	1.3 %
After 5 years through 10 years	91	75	1.5 %
After 10 years	23	18	1.3 %
Total	589	551	
Non-agency mortgage-backed securities			
Due within 1 year	208	224	4.5 %
After 1 year through 5 years	814	803	4.3 %
After 5 years through 10 years	301	289	5.1 %
After 10 years	642	639	6.5 %
Total	1,965	1,955	
Total HTM securities	$ 47,747	$ 40,238	2.3 %
Total investment securities	$ 155,508	$ 145,770	3.3 %

1. Amounts are net of any ACL.
2. Annualized average yield is computed using the effective yield, weighted based on the amortized cost of each security. The effective yield is shown pre-tax and excludes the effect of related hedging derivatives.
3. At June 30, 2026, the annualized average yield, including the interest rate swap accrual of related hedges, was 3.9% for AFS securities contractually maturing within 1 year and 3.7% for all AFS securities.
4. Represents the amount of unallocated portfolio layer method basis adjustments related to AFS securities hedged in a closed portfolio. Portfolio layer method basis adjustments are not allocated to individual securities. Refer to Note 2 and Note 6 herein for additional information.

Gross Realized Gains (Losses) on Sales of AFS Securities

$ in millions	Three Months Ended June 30, 2026	2025	Six Months Ended June 30, 2026	2025
Gross realized gains	$ 10	$ 1	$ 18	$ 22
Gross realized (losses)	(2)	(1)	(5)	(1)
Total[1]	$ 8	$ —	$ 13	$ 21

1. Realized gains and losses are recognized in Other revenues in the income statement.

8. Collateralized Transactions

Offsetting of Certain Collateralized Transactions

	At June 30, 2026				
$ in millions	Gross Amounts	Amounts Offset	Balance Sheet Net Amounts	Amounts Not Offset[1]	Net Amounts
Assets					
Securities purchased under agreements to resell	**$505,540**	**$ (376,024)**	**$ 129,516**	**$(125,860)**	**$ 3,656**
Securities borrowed	**233,104**	**(51,746)**	**181,358**	**(176,889)**	**4,469**
Liabilities					
Securities sold under agreements to repurchase	**$478,226**	**$ (376,024)**	**$ 102,202**	**$ (96,989)**	**$ 5,213**
Securities loaned	**72,482**	**(51,746)**	**20,736**	**(20,440)**	**296**
Amounts for which master netting agreements are not in place or may not be legally enforceable, included in Net Amounts					
Securities purchased under agreements to resell					**$ 1,126**
Securities borrowed					**61**
Securities sold under agreements to repurchase					**3,741**
Securities loaned					**100**

	At December 31, 2025				
$ in millions	Gross Amounts	Amounts Offset	Balance Sheet Net Amounts	Amounts Not Offset[1]	Net Amounts
Assets					
Securities purchased under agreements to resell	$471,144	$ (350,901)	$ 120,243	$(117,509)	$ 2,734
Securities borrowed	218,753	(66,845)	151,908	(146,726)	5,182
Liabilities					
Securities sold under agreements to repurchase	$429,440	$ (350,901)	$ 78,539	$ (72,407)	$ 6,132
Securities loaned	84,155	(66,845)	17,310	(17,213)	97
Amounts for which master netting agreements are not in place or may not be legally enforceable, included in Net Amounts					
Securities purchased under agreements to resell					$ 1,277
Securities borrowed					38
Securities sold under agreements to repurchase					5,367
Securities loaned					—

1. Amounts relate to master netting agreements that have been determined by the Firm to be legally enforceable in the event of default but where certain other criteria are not met in accordance with applicable offsetting accounting guidance.

For further discussion of the Firm's collateralized transactions, see Notes 2 and 8 to the financial statements in the 2025 Form 10-K. For information related to offsetting of derivatives, see Note 6.

Gross Secured Financing Balances by Remaining Contractual Maturity

	At June 30, 2026				
$ in millions	Overnight and Open	Less than 30 Days	30-90 Days	Over 90 Days	Total
Securities sold under agreements to repurchase	**$ 255,308**	**$ 111,490**	**$37,020**	**$74,408**	**$478,226**
Securities loaned	**58,077**	**207**	**513**	**13,685**	**72,482**
Total included in the offsetting disclosure	**$ 313,385**	**$ 111,697**	**$37,533**	**$88,093**	**$550,708**
Trading liabilities—Obligation to return securities received as collateral	**34,414**	**—**	**—**	**—**	**34,414**
Total	**$ 347,799**	**$ 111,697**	**$37,533**	**$88,093**	**$585,122**

	At December 31, 2025				
$ in millions	Overnight and Open	Less than 30 Days	30-90 Days	Over 90 Days	Total
Securities sold under agreements to repurchase	$ 221,938	$ 122,291	$43,737	$41,474	$429,440
Securities loaned	70,433	—	321	13,401	84,155
Total included in the offsetting disclosure	$ 292,371	$ 122,291	$44,058	$54,875	$513,595
Trading liabilities—Obligation to return securities received as collateral	7,329	—	—	—	7,329
Total	$ 299,700	$ 122,291	$44,058	$54,875	$520,924

Gross Secured Financing Balances by Class of Collateral Pledged

$ in millions	**At June 30, 2026**	At December 31, 2025
Securities sold under agreements to repurchase		
U.S. Treasury and agency securities	**$ 259,958**	$ 209,470
Other sovereign government obligations	**154,421**	159,444
Corporate equities	**27,492**	32,919
Other	**36,355**	27,607
Total	**$ 478,226**	$ 429,440
Securities loaned		
Other sovereign government obligations	**$ 1,849**	$ 1,208
Corporate equities	**67,014**	81,063
Other	**3,619**	1,884
Total	**$ 72,482**	$ 84,155
Total included in the offsetting disclosure	**$ 550,708**	$ 513,595
Trading liabilities—Obligation to return securities received as collateral		
Corporate equities	**$ 34,359**	$ 7,017
Other	**55**	312
Total	**$ 34,414**	$ 7,329
Total	**$ 585,122**	$ 520,924

Carrying Value of Assets Loaned or Pledged without Counterparty Right to Sell or Repledge

$ in millions	**At June 30, 2026**	At December 31, 2025
Trading assets	**$ 63,446**	$ 43,182

The Firm pledges certain of its trading assets to collateralize securities sold under agreements to repurchase, securities loaned, other secured financings and derivatives and to cover customer short sales.

Pledged financial instruments that can be sold or repledged by the secured party are identified as Trading assets (pledged as collateral) in the balance sheet. Pledged financial instruments that cannot be sold or repledged by the secured party are included within Trading Assets, but not identified as pledged assets parenthetically in the balance sheet.

Fair Value of Collateral Received with Right to Sell or Repledge

$ in millions	At June 30, 2026	At December 31, 2025
Collateral received with right to sell or repledge	$ 1,382,658	$ 1,190,694
Collateral that was sold or repledged[1]	1,062,240	900,282

1. Does not include securities used to meet federal regulations for the Firm's U.S. broker-dealers.

The Firm receives collateral in the form of securities in connection with securities purchased under agreements to resell, securities borrowed, securities-for-securities transactions, derivative transactions, customer margin loans and securities-based lending. In many cases, the Firm is permitted to sell or repledge this collateral to secure securities sold under agreements to repurchase, to enter into securities lending and derivative transactions or to deliver to counterparties to cover short positions.

Securities Segregated for Regulatory Purposes

$ in millions	At June 30, 2026	At December 31, 2025
Segregated securities[1]	$ 28,116	$ 22,256

1. Securities segregated under federal regulations for the Firm's U.S. broker-dealers are sourced from Securities purchased under agreements to resell and Trading assets in the balance sheet.

Customer Margin and Other Lending

$ in millions	At June 30, 2026	At December 31, 2025
Margin and other lending	$ 100,328	$ 83,871

The Firm provides margin lending arrangements that allow customers to borrow against the value of qualifying securities. Receivables from these arrangements are included within Customer and other receivables in the balance sheet. Under these arrangements, the Firm receives collateral, which includes U.S. government and agency securities, other sovereign government obligations, corporate and other debt, and corporate equities. Margin loans are collateralized by customer-owned securities held by the Firm. The Firm monitors required margin levels and established credit terms daily and, pursuant to such guidelines, requires customers to deposit additional collateral, or reduce positions, when necessary.

For a further discussion of the Firm's margin lending activities, see Note 8 to the financial statements in the 2025 Form 10-K.

Also included in the amounts in the previous table is non-purpose securities-based lending on entities in the Wealth Management business segment.

Other Secured Financings

The Firm has additional secured liabilities. For a further discussion of other secured financings, see Note 12. Additionally, for certain secured financing transactions that meet applicable netting criteria, the Firm offset Other secured financing liabilities against financing receivables recorded within Trading assets in the amount of $4,233 million and $3,410 million as of June 30, 2026 and December 31, 2025, respectively.

9. Loans, Lending Commitments and Related Allowance for Credit Losses

Loans by Type

	At June 30, 2026		
$ in millions	HFI Loans	HFS Loans	Total Loans
Corporate	$ 8,955	$ 10,880	$ 19,835
Secured lending facilities	73,537	1,920	75,457
Commercial real estate	7,878	179	8,057
Residential real estate	75,627	5	75,632
Securities-based lending and Other	124,569	73	124,642
Total loans	290,566	13,057	303,623
ACL	(1,248)		(1,248)
Total loans, net	$ 289,318	$ 13,057	$ 302,375
Loans to non-U.S. borrowers, net	$ 36,937	$ 5,781	$ 42,718

	At December 31, 2025		
$ in millions	HFI Loans	HFS Loans	Total Loans
Corporate	$ 7,277	$ 7,202	$ 14,479
Secured lending facilities	69,149	1,817	70,966
Commercial real estate	8,039	320	8,359
Residential real estate	72,403	5	72,408
Securities-based lending and Other	112,984	30	113,014
Total loans	269,852	9,374	279,226
ACL	(1,132)		(1,132)
Total loans, net	$ 268,720	$ 9,374	$ 278,094
Loans to non-U.S. borrowers, net	$ 34,532	$ 3,622	$ 38,154

For additional information on the Firm's held-for-investment and held-for-sale loan portfolios, see Note 9 to the financial statements in the 2025 Form 10-K.

Loans by Interest Rate Type

	At June 30, 2026		At December 31, 2025	
$ in millions	Fixed Rate	Floating or Adjustable Rate	Fixed Rate	Floating or Adjustable Rate
Corporate	$ 86	$ 19,749	$ 1	$ 14,478
Secured lending facilities	—	75,457	525	70,440
Commercial real estate	331	7,726	327	8,032
Residential real estate	33,088	42,544	32,377	40,031
Securities-based lending and Other	28,341	96,301	27,681	85,334
Total loans, before ACL	$ 61,846	$ 241,777	$ 60,911	$ 218,315

See Note 4 for further information regarding Loans and lending commitments held at fair value. See Note 13 for details of current commitments to lend in the future.

Loans Held for Investment before Allowance by Credit Quality and Origination Year

	At June 30, 2026			At December 31, 2025		
	Corporate					
$ in millions	IG	NIG	Total	IG	NIG	Total
Revolving	$ 3,070	$ 5,608	$ 8,678	$ 2,362	$ 4,580	$ 6,942
2026	—	75	75			
2025	—	35	35	125	40	165
2024	78	50	128	79	50	129
2023	—	24	24	—	25	25
2022	—	—	—	—	—	—
Prior	15	—	15	15	1	16
Total	$ 3,163	$ 5,792	$ 8,955	$ 2,581	$ 4,696	$ 7,277

	At June 30, 2026			At December 31, 2025		
	Secured Lending Facilities					
$ in millions	IG	NIG	Total	IG	NIG	Total
Revolving	$ 18,601	$ 38,209	$ 56,810	$ 15,709	$ 37,915	$ 53,624
2026	999	3,666	4,665			
2025	1,528	7,271	8,799	2,514	7,248	9,762
2024	48	1,254	1,302	78	2,620	2,698
2023	266	590	856	596	935	1,531
2022	5	610	615	13	957	970
Prior	9	481	490	7	557	564
Total	$ 21,456	$ 52,081	$ 73,537	$ 18,917	$ 50,232	$ 69,149

	At June 30, 2026			At December 31, 2025		
	Commercial Real Estate					
$ in millions	IG	NIG	Total	IG	NIG	Total
Revolving	$ 19	$ —	$ 19	$ 34	$ —	$ 34
2026	—	976	976			
2025	634	1,536	2,170	322	2,103	2,425
2024	540	1,374	1,914	577	1,385	1,962
2023	153	394	547	153	409	562
2022	166	895	1,061	332	1,094	1,426
Prior	28	1,163	1,191	37	1,593	1,630
Total	$ 1,540	$ 6,338	$ 7,878	$ 1,455	$ 6,584	$ 8,039

	At June 30, 2026					
	Residential Real Estate					
	by FICO Scores			by LTV Ratio		
$ in millions	≥ 740	680-739	≤ 679	≤ 80%	> 80%	Total
Revolving	$ 184	$ 47	$ 7	$ 238	$ —	$ 238
2026	5,453	948	154	5,993	562	6,555
2025	8,650	1,622	181	9,445	1,008	10,453
2024	7,299	1,389	171	8,006	853	8,859
2023	5,711	1,241	182	6,369	765	7,134
2022	9,217	2,056	341	10,712	902	11,614
Prior	24,596	5,554	624	28,779	1,995	30,774
Total	$ 61,110	$ 12,857	$ 1,660	$ 69,542	$ 6,085	$ 75,627

	At December 31, 2025					
	Residential Real Estate					
	by FICO Scores			by LTV Ratio		
$ in millions	≥ 740	680-739	≤ 679	≤ 80%	> 80%	Total
Revolving	$ 172	$ 40	$ 7	$ 219	$ —	$ 219
2025	9,096	1,666	189	9,900	1,051	10,951
2024	7,825	1,480	184	8,571	918	9,489
2023	6,099	1,315	187	6,788	813	7,601
2022	9,613	2,138	355	11,159	947	12,106
Prior	25,543	5,841	653	29,944	2,093	32,037
Total	$ 58,348	$ 12,480	$ 1,575	$ 66,581	$ 5,822	$ 72,403

	At June 30, 2026			
	Securities-based lending[1]	Other[2]		
$ in millions		IG	NIG	Total
Revolving	$ 108,745	$ 721	$ 1,694	$ 111,160
2026	1,264	6	986	2,256
2025	2,128	195	560	2,883
2024	532	640	214	1,386
2023	529	140	887	1,556
2022	67	222	1,072	1,361
Prior	232	1,010	2,725	3,967
Total	$ 113,497	$ 2,934	$ 8,138	$ 124,569

	At December 31, 2025			
	Securities-based lending[1]	Other[2]		
$ in millions		IG	NIG	Total
Revolving	$ 97,840	$ 639	$ 1,615	$ 100,094
2025	2,437	199	808	3,444
2024	1,132	690	180	2,002
2023	655	126	981	1,762
2022	132	170	1,260	1,562
Prior	245	1,013	2,862	4,120
Total	$ 102,441	$ 2,837	$ 7,706	$ 112,984

IG—Investment Grade
NIG—Non-investment Grade
1. Securities-based loans are subject to collateral maintenance provisions, and at June 30, 2026 and December 31, 2025, these loans are predominantly over-collateralized. For more information on the ACL methodology related to securities-based loans, see Note 2 to the financial statements in the 2025 Form 10-K.
2. Other loans primarily include certain loans originated in the tailored lending business within the Wealth Management business segment, which typically consist of bespoke lending arrangements provided to ultra-high net worth clients. These facilities are generally secured by eligible collateral.

Past Due Loans Held for Investment before Allowance[1]

$ in millions	At June 30, 2026	At December 31, 2025
Commercial real estate	$ 181	$ 129
Residential real estate	221	298
Securities-based lending and Other	81	41
Total	$ 483	$ 468

1. As of June 30, 2026 and December 31, 2025, the majority of the amounts were 90 days or more past due.

Nonaccrual Loans Held for Investment before Allowance[1]

$ in millions	At June 30, 2026	At December 31, 2025
Corporate	$ 146	$ 203
Secured lending facilities	7	14
Commercial real estate	454	476
Residential real estate	193	208
Securities-based lending and Other	207	246
Total	$ 1,007	$ 1,147
Nonaccrual loans without an ACL	$ 180	$ 180

1. There were no loans held for investment that were 90 days or more past due and still accruing as of June 30, 2026 and December 31, 2025. For further information on the Firm's nonaccrual policy, see Note 2 to the financial statements in the 2025 Form 10-K.

Loan Modifications to Borrowers Experiencing Financial Difficulty

The Firm may modify the terms of certain loans for economic or legal reasons related to a borrower's financial difficulties, and these modifications include interest rate reductions, principal forgiveness, term extensions and other-than-insignificant payment delays or a combination of these aforementioned modifications. Modified loans are typically evaluated individually for allowance for credit losses.

Modified Loans Held for Investment

Period-end loans held for investment modified during the following periods[1]

	Three Months Ended June 30,			
	2026		2025	
$ in millions	Amortized Cost	% of Total Loans[2]	Amortized Cost	% of Total Loans[2]
Term Extension				
Corporate	$ —	— %	$ 113	1.5 %
Commercial real estate	50	0.6 %	330	4.0 %
Total	$ 50	0.6 %	$ 443	2.8 %
Other-than-insignificant Payment Delay				
Securities-based lending and Other	$ 5	— %	$ —	— %
Total	$ 5	— %	$ —	— %
Multiple Modifications - Term Extension and Interest Rate Reduction				
Corporate	$ 27	0.3 %	$ —	— %
Commercial real estate	—	— %	75	0.9 %
Residential real estate	—	— %	2	— %
Total	$ 27	0.3 %	$ 77	0.1 %
Total Modifications	$ 82	0.1 %	$ 520	0.6 %

	Six Months Ended June 30,			
	2026		2025	
$ in millions	Amortized Cost	% of Total Loans[2]	Amortized Cost	% of Total Loans[2]
Term Extension				
Corporate	$ 5	0.1 %	$ 126	1.6 %
Commercial real estate	50	0.6 %	330	4.0 %
Securities-based lending and Other	4	— %	33	— %
Total	$ 59	— %	$ 489	0.4 %
Other-than-insignificant Payment Delay				
Securities-based lending and Other	5	— %	29	— %
Total	$ 5	— %	$ 29	— %
Multiple Modifications - Term Extension and Interest Rate Reduction				
Corporate	$ 27	0.3 %	$ —	— %
Commercial real estate	—	— %	75	0.9 %
Residential real estate	—	— %	2	— %
Total	$ 27	0.3 %	$ 77	0.1 %
Total Modifications	$ 91	0.1 %	$ 595	0.3 %

1. Lending commitments to borrowers for which the Firm has modified terms of the receivable during the three months ended June 30, 2026 and 2025, were $407 million and $242 million, as of June 30, 2026 and 2025, respectively. Lending commitments to borrowers for which the Firm has modified terms of the receivable during the six months ended June 30, 2026 and 2025, were $1,302 million and $401 million, as of June 30, 2026 and 2025, respectively.
2. Percentage of total loans represents the percentage of modified loans to total loans held for investment by loan type.

Financial Effect of Modifications on Loans Held for Investment

	Three Months Ended June 30, 2026[1]			
	Term Extension (Months)	Other-than-insignificant Payment Delay (Months)	Principal Forgiveness ($ millions)	Interest Rate Reduction (%)
Single Modifications				
Commercial real estate	48	0	—	— %
Securities-based lending and Other	0	4	—	— %
Multiple Modifications - Term Extension and Interest Rate Reduction				
Corporate	28	0	$ —	0.1 %

	Three Months Ended June 30, 2025[1]			
	Term Extension (Months)	Other-than-insignificant Payment Delay (Months)	Principal Forgiveness ($ millions)	Interest Rate Reduction (%)
Single Modifications				
Corporate	26	0	$ —	— %
Commercial real estate	33	0	—	— %
Multiple Modifications - Term Extension and Interest Rate Reduction				
Commercial real estate	65	0	$ —	0.6 %
Residential real estate	120	0	—	1.0 %

	Six Months Ended June 30, 2026[1]			
	Term Extension (Months)	Other-than-insignificant Payment Delay (Months)	Principal Forgiveness ($ millions)	Interest Rate Reduction (%)
Single Modifications				
Corporate	**20**	**0**	**$ —**	**— %**
Commercial real estate	**48**	**0**	**—**	**— %**
Securities-based lending and Other	**24**	**4**	**—**	**— %**
Multiple Modifications - Term Extension and Interest Rate Reduction				
Corporate	**28**	**0**	**$ —**	**0.1 %**

	Six Months Ended June 30, 2025[1]			
	Term Extension (Months)	Other-than-insignificant Payment Delay (Months)	Principal Forgiveness ($ millions)	Interest Rate Reduction (%)
Single Modifications				
Corporate	27	0	$ —	— %
Commercial real estate	33	0	—	— %
Securities-based lending and Other	12	11	—	— %
Multiple Modifications - Term Extension and Interest Rate Reduction				
Commercial real estate	65	0	$ —	0.6 %
Residential real estate	120	0	—	1.0 %

1. In instances where more than one loan was modified, modification impact is presented on a weighted-average basis.

Performance of Loans Held for Investment Modified in the Last 12 Months

	At June 30, 2026			
$ in millions	Current and less than 30 days past due	30-89 days past due	90+ days past due	Total
Corporate	**$ 76**	**$ —**	**$ —**	**$ 76**
Secured lending facilities	**7**	**—**	**—**	**7**
Commercial real estate	**196**	**—**	**—**	**196**
Residential real estate	**6**	**—**	**—**	**6**
Securities-based lending and Other	**415**	**5**	**—**	**420**
Total	**$ 700**	**$ 5**	**$ —**	**$ 705**

	At June 30, 2025			
$ in millions	Current and less than 30 days past due	30-89 days past due	90+ days past due	Total
Corporate	$ 152	$ —	$ —	$ 152
Commercial real estate	546	—	—	546
Residential real estate	2	—	2	4
Securities-based lending and Other	84	—	—	84
Total	$ 784	$ —	$ 2	$ 786

At June 30, 2026, there were no loans held for investment that defaulted during the six months ended June 30, 2026 that had been modified in the 12 month period prior to default. At June 30, 2025, there were no loans held for investment that defaulted during the six months ended June 30, 2025 that had been modified in the 12 month period prior to default.

Provision for Credit Losses

	Three Months Ended June 30,		Six Months Ended June 30,	
$ in millions	**2026**	2025	**2026**	2025
Loans	**$ 110**	$ 138	**$ 192**	$ 219
Lending commitments	**(12)**	58	**4**	112

Allowance for Credit Losses Rollforward and Allocation—Loans and Lending Commitments

	Six Months Ended June 30, 2026					
$ in millions	Corporate	Secured Lending Facilities	CRE	Residential Real Estate	SBL and Other	Total
ACL—Loans						
Beginning balance	$ 260	$ 201	$283	$ 127	$261	$1,132
Gross charge-offs	**(45)**	**—**	**(17)**	**—**	**(10)**	**(72)**
Recoveries	**—**	**—**	**2**	**—**	**—**	**2**
Net (charge-offs)/ recoveries	**(45)**	**—**	**(15)**	**—**	**(10)**	**(70)**
Provision (release)	**66**	**43**	**46**	**9**	**28**	**192**
Other	**(2)**	**(2)**	**(2)**	**—**	**—**	**(6)**
Ending balance	**$ 279**	**$ 242**	**$312**	**$ 136**	**$279**	**$1,248**
Percent of loans to total loans[1]	**3 %**	**25 %**	**3 %**	**26 %**	**43 %**	**100 %**
ACL—Lending commitments						
Beginning balance	$ 625	$ 137	$12	$ 5	$19	$798
Provision (release)	**24**	**(20)**	**4**	**—**	**(4)**	**4**
Other	**(9)**	**(1)**	**—**	**—**	**—**	**(10)**
Ending balance	**$ 640**	**$ 116**	**$16**	**$ 5**	**$15**	**$792**
Total ending balance	**$ 919**	**$ 358**	**$328**	**$ 141**	**$294**	**$2,040**

	Six Months Ended June 30, 2025					
$ in millions	Corporate	Secured Lending Facilities	CRE	Residential Real Estate	SBL and Other	Total
ACL—Loans						
Beginning balance	$ 200	$ 140	$373	$ 97	$256	$1,066
Gross charge-offs	—	—	(62)	—	—	(62)
Recoveries	—	—	20	—	—	20
Net (charge-offs)/ recoveries	—	—	(42)	—	—	(42)
Provision (release)	63	30	52	23	51	219
Other	8	5	15	—	—	28
Ending balance	$ 271	$ 175	$398	$ 120	$307	$1,271
Percent of loans to total loans[1]	3 %	24 %	3 %	28 %	42 %	100 %
ACL—Lending commitments						
Beginning balance	$ 507	$ 88	$40	$ 4	$17	$656
Provision (release)	83	47	(21)	—	3	112
Other	17	3	1	—	1	22
Ending balance	$ 607	$ 138	$20	$ 4	$21	$790
Total ending balance	$ 878	$ 313	$418	$ 124	$328	$2,061

CRE—Commercial real estate
SBL—Securities-based lending
1. Percentage of loans to total loans represents loans held for investment by loan type to total loans held for investment.

The allowance for credit losses for loans and lending commitments increased during the six months ended June 30, 2026, primarily related to certain specific commercial real estate and corporate loans and portfolio growth in corporate loans and secured lending facilities. Charge-offs in the current year period were primarily related to corporate and commercial real estate loans.

The base scenario used in the Firm's ACL models as of June 30, 2026 was generated using a combination of consensus economic forecasts, forward rates, and internally developed and validated models. The Firm's ACL models incorporate key macroeconomic variables, including U.S. real GDP growth rate with the base scenario for the current quarter incorporating expectations of continued economic growth consistent with the prior quarter forecast. Other key macroeconomic variables used in the Firm's ACL models include corporate credit spreads, interest rates and commercial real estate indices. The significance of these key macroeconomic variables on the Firm's ACL models varies depending on portfolio composition and economic conditions. The Firm also considered macroeconomic uncertainty in determining the aggregate allowance for credit losses for the current quarter. For a further discussion of the Firm's loans as well as the Firm's allowance methodology, refer to Notes 2 and 9 to the financial statements in the 2025 Form 10-K.

Gross Charge-offs by Origination Year

	Three Months Ended June 30, 2026					
$ in millions	Corporate	Secured Lending Facilities	CRE	Residential Real Estate	SBL and Other	Total
Revolving	**$ (29)**	**$ —**	**$ —**	**$ —**	**$ —**	**$ (29)**
2022	**—**	**—**	**(6)**	**—**	**—**	**(6)**
Total	**$ (29)**	**$ —**	**$ (6)**	**$ —**	**$ —**	**$ (35)**

	Three Months Ended June 30, 2025					
$ in millions	Corporate	Secured Lending Facilities	CRE	Residential Real Estate	SBL and Other	Total
Prior to 2022	$ —	$ —	$ (31)	$ —	$ —	$ (31)
Total	$ —	$ —	$ (31)	$ —	$ —	$ (31)

	Six Months Ended June 30, 2026					
$ in millions	Corporate	Secured Lending Facilities	CRE	Residential Real Estate	SBL and Other	Total
Revolving	**$ (45)**	**$ —**	**$ —**	**$ —**	**$ —**	**$ (45)**
2022	**—**	**—**	**(6)**	**—**	**—**	**(6)**
Prior to 2022	**—**	**—**	**(11)**	**—**	**(10)**	**(21)**
Total	**$ (45)**	**$ —**	**$ (17)**	**$ —**	**$ (10)**	**$ (72)**

	Six Months Ended June 30, 2025					
$ in millions	Corporate	Secured Lending Facilities	CRE	Residential Real Estate	SBL and Other	Total
2022	$ —	$ —	$ (10)	$ —	$ —	$ (10)
Prior to 2022	—	—	(52)	—	—	(52)
Total	$ —	$ —	$ (62)	$ —	$ —	$ (62)

CRE—Commercial real estate
SBL—Securities-based lending

Selected Credit Ratios

	At June 30, 2026	At December 31, 2025
ACL for loans to total HFI loans	**0.4 %**	0.4 %
Nonaccrual HFI loans to total HFI loans	**0.3 %**	0.4 %
ACL for loans to nonaccrual HFI loans	**123.9 %**	98.7 %

Employee Loans

$ in millions	**At June 30, 2026**	At December 31, 2025
Currently employed by the Firm[1]	**$ 4,949**	$ 4,769
No longer employed by the Firm[2]	**90**	89
Employee loans	**$ 5,039**	$ 4,858
ACL	**(119)**	(127)
Employee loans, net of ACL	**$ 4,920**	$ 4,731
Remaining repayment term, weighted average in years	**5.7**	5.7

1. These loans are predominantly current.
2. These loans are predominantly past due for a period of 90 days or more.

Employee loans are granted in conjunction with a program established primarily to recruit certain Wealth Management financial advisors, are full recourse and generally require periodic repayments, and are due in full upon termination of employment with the Firm. These loans are recorded in Customer and other receivables in the balance sheet. See Note 2 to the financial statements in the 2025 Form 10-K for a description of the CECL allowance methodology, including credit quality indicators, for employee loans.

10. Other Assets

Equity Method Investments

$ in millions	**At June 30, 2026**	At December 31, 2025
Investments	**$ 2,053**	$ 2,054

	Three Months Ended June 30,		Six Months Ended June 30,	
$ in millions	**2026**	2025	**2026**	2025
Income (loss)	**$ 86**	$ 59	**$ 173**	$ 121

Equity method investments, other than investments in certain fund interests, are summarized above and are included in Other assets in the balance sheet with related income or loss included in Other revenues in the income statement. See "Net Asset Value Measurements—Fund Interests" in Note 4 for the carrying value of certain of the Firm's fund interests, which are composed of general and limited partnership interests, as well as any related carried interest.

Japanese Securities Joint Venture

	Three Months Ended June 30,		Six Months Ended June 30,	
$ in millions	**2026**	2025	**2026**	2025
Income (loss) from investment in MUMSS	**$ 56**	$ 30	**$ 106**	$ 66

For more information on MUMSS and other relationships with MUFG, see Note 11 to the financial statements in the 2025 Form 10-K.

Tax Equity Investments

The Firm invests in tax equity investment interests which entitle the Firm to a share of tax credits and other income tax benefits generated by the projects underlying the investments. The Firm accounts for certain renewable energy and other tax equity investments programs using the proportional amortization method.

Tax Equity Investments under the Proportional Amortization Method

$ in millions	At June 30, 2026	At December 31, 2025
Low-income housing	$ 1,836	$ 1,897
Renewable energy and other	29	28
Total[1,2]	$ 1,865	$ 1,925

1. Amounts include unfunded equity contributions of $671 million and $707 million as of June 30, 2026 and December 31, 2025, respectively. The corresponding liabilities for the commitments to fund these equity contributions are recorded in Other liabilities and accrued expenses. The majority of these commitments are expected to be funded within 5 years.
2. Amounts exclude $42 million and $45 million as of June 30, 2026 and December 31, 2025, respectively, of tax equity investments within programs for which the Firm elected the proportional amortization method that do not meet the conditions to apply the proportional amortization method, which are accounted for as equity method investments.

Income tax credits and other income tax benefits recognized as well as proportional amortization are included in the Provision for income taxes line in the consolidated income statement and in the Depreciation and amortization line in the consolidated cash flow statement.

Net Benefits Attributable to Tax Equity Investments under the Proportional Amortization Method

	Three Months Ended June 30,		Six Months Ended June 30,	
$ in millions	2026	2025	2026	2025
Income tax credits and other income tax benefits	$ 79	$ 77	$ 157	$ 152
Proportional amortization	(58)	(62)	(121)	(124)
Net benefits included in income tax expense	21	15	36	28
Other income	—	—	1	—
Net benefits	$ 21	$ 15	$ 37	$ 28

11. Deposits

Deposits

$ in millions	At June 30, 2026	At December 31, 2025
Savings and demand deposits	$ 328,552	$ 315,883
Time deposits	117,516	99,640
Total	$ 446,068	$ 415,523
Deposits subject to FDIC insurance	$ 349,061	$ 331,322
Deposits not subject to FDIC insurance	$ 97,007	$ 84,201

Time Deposit Maturities

$ in millions	At June 30, 2026
2026	$ 31,106
2027	36,562
2028	21,288
2029	13,289
2030	11,242
Thereafter	4,029
Total	$ 117,516

12. Borrowings and Other Secured Financings

Borrowings

$ in millions	At June 30, 2026	At December 31, 2025
Original maturities of one year or less	$ 9,400	$ 7,254
Original maturities greater than one year:		
Senior	$ 369,623	$ 329,502
Subordinated	13,533	12,179
Total greater than one year	$ 383,156	$ 341,681
Total	$ 392,556	$ 348,935
Weighted average stated maturity, in years[1]	6.1	6.3

1. Only includes borrowings with original maturities greater than one year.

Other Secured Financings

$ in millions	At June 30, 2026	At December 31, 2025
Original maturities:		
One year or less	$ 21,512	$ 13,892
Greater than one year	8,307	7,711
Total	$ 29,819	$ 21,603
Transfers of assets accounted for as secured financings	$ 11,572	$ 9,713

Other secured financings include the liabilities related to collateralized notes, transfers of financial assets that are accounted for as financings rather than sales and consolidated VIEs where the Firm is deemed to be the primary beneficiary. These liabilities are generally payable from the cash flows of the related assets accounted for as Trading assets. See Note 14 for further information on other secured financings related to VIEs and securitization activities.

For transfers of assets that fail to meet accounting criteria for a sale, the Firm continues to record the assets and recognizes the associated liabilities in the balance sheet.

13. Commitments, Guarantees and Contingencies

Commitments

$ in millions	Years to Maturity at June 30, 2026 Less than 1	1-3	3-5	Over 5	Total
Lending:					
Corporate	$ 24,024	$ 56,551	$ 85,209	$ 5,763	$ 171,547
Secured lending facilities	6,162	8,461	11,335	5,486	31,444
Commercial and Residential real estate	88	181	498	486	1,253
Securities-based lending and Other	17,560	3,793	309	527	22,189
Forward-starting secured financing receivables[1]	163,191	1,628	—	—	164,819
Central counterparty	15,178	—	—	—	15,178
Investment activities	3,769	533	166	499	4,967
Letters of credit and other financial guarantees	32	—	—	3	35
Total	**$230,004**	**$ 71,147**	**$ 97,517**	**$ 12,764**	**$ 411,432**
Lending commitments participated to third parties					$ 14,192

1. These amounts primarily include secured financing receivables yet to settle as of June 30, 2026, with settlement generally occurring within three business days. These amounts also include commitments to enter into certain collateralized financing transactions.

Since commitments associated with these instruments may expire unused, the amounts shown do not necessarily reflect the actual future cash funding requirements.

For a further description of these commitments, refer to Note 14 to the financial statements in the 2025 Form 10-K.

Guarantees

	At June 30, 2026				
	Maximum Potential Payout/Notional of Obligations by Years to Maturity				Carrying Amount Asset (Liability)
$ in millions	Less than 1	1-3	3-5	Over 5	
Non-credit derivatives[1]	$1,476,804	$ 817,174	$226,173	$638,984	$ (45,534)
Standby letters of credit and other financial guarantees issued[2,3]	1,764	762	1,356	2,597	16
Liquidity facilities	1,867	—	—	—	2
Whole loan sales guarantees	29	—	1	23,070	—
Securitization representations and warranties[4]	—	—	—	99,464	—
General partner guarantees	54	119	95	29	(46)
Client clearing guarantees	2,583	—	—	—	—

1. The carrying amounts of derivative contracts that meet the accounting definition of a guarantee are shown on a gross basis. For further information on derivatives contracts, see Note 6.
2. These amounts include certain issued standby letters of credit participated to third parties, totaling $0.7 billion of notional and collateral/recourse, due to the nature of the Firm's obligations under these arrangements.
3. As of June 30, 2026, the carrying amount of standby letters of credit and other financial guarantees issued includes an allowance for credit losses of $102 million.
4. Related to commercial, residential mortgage and asset backed securitizations.

The Firm has obligations under certain guarantee arrangements, including contracts and indemnification agreements, that contingently require the Firm to make payments to the guaranteed party based on changes in an underlying measure (such as an interest or foreign exchange rate, security or commodity price, an index, or the occurrence or non-occurrence of a specified event) related to an asset, liability or equity security of a guaranteed party. Also included as guarantees are contracts that contingently require the Firm to make payments to the guaranteed party based on another entity's failure to perform under an agreement, as well as indirect guarantees of the indebtedness of others.

For more information on the nature of the obligations and related business activities for our guarantees, see Note 14 to the financial statements in the 2025 Form 10-K.

Other Guarantees and Indemnities

In the normal course of business, the Firm provides guarantees and indemnifications in a variety of transactions. These provisions generally are standard contractual terms. Certain of these guarantees and indemnifications related to indemnities, market value guarantees, exchange and clearinghouse member guarantees, futures and over-the-counter derivatives clearing guarantees and merger and acquisition guarantees are described in Note 14 to the financial statements in the 2025 Form 10-K.

In addition, in the ordinary course of business, the Firm guarantees the debt and/or certain trading obligations (including obligations associated with derivatives, foreign exchange contracts and the settlement of physical commodities) of certain subsidiaries. These guarantees generally are entity or product specific and are required by investors or trading counterparties. The activities of the Firm's subsidiaries covered by these guarantees (including any related debt or trading obligations) are included in the financial statements.

Finance Subsidiary

The Parent Company fully and unconditionally guarantees the securities issued by Morgan Stanley Finance LLC, a wholly owned finance subsidiary. No other subsidiary of the Parent Company guarantees these securities.

Contingencies

Legal

In addition to the matters described below, in the normal course of business, the Firm has been named, from time to time, as a defendant in various legal actions, including arbitrations, class actions and other litigation, arising in connection with its activities as a global diversified financial services institution. Certain of the actual or threatened legal actions include claims for substantial compensatory and/or punitive damages or claims for indeterminate amounts of damages. In some cases, the third-party entities that are, or would otherwise be, the primary defendants in such cases are bankrupt, in financial distress, or may not honor applicable indemnification obligations. These actions have included, but are not limited to, antitrust claims, claims under various false claims act statutes, and matters arising from our wealth management businesses, Markets business, and our activities in the capital markets.

The Firm is also involved, from time to time, in other reviews, investigations and proceedings (both formal and informal) by governmental or other regulatory agencies regarding the Firm's business, and involving, among other matters, sales, trading, financing, prime brokerage, market-making activities, investment banking advisory services, capital markets activities, financial products or offerings sponsored, underwritten or sold by the Firm, wealth and investment management services, and tax, accounting, and operational matters, certain of which may result in adverse judgments, settlements, fines, penalties, disgorgement, restitution, forfeiture, injunctions, limitations on our ability to conduct certain business, or other relief.

The Firm contests liability and/or the amount of damages as appropriate in each pending matter. Where available information indicates that it is probable a liability had been incurred at the date of the financial statements and the Firm can reasonably estimate the amount of that loss or the range of loss, the Firm accrues an estimated loss by a charge to income, including with respect to certain of the individual proceedings or investigations described below.

The Firm's legal expenses can, and may in the future, fluctuate from period to period, given the current environment regarding government or regulatory agency investigations and private litigation affecting global financial services firms, including the Firm.

In many legal proceedings and investigations, it is inherently difficult to determine whether any loss is probable or reasonably possible, or to estimate the amount of any loss. In addition, even where the Firm has determined that a loss is probable or reasonably possible or an exposure to loss or range of loss exists in excess of the liability already accrued with respect to a previously recognized loss contingency, the Firm may be unable to reasonably estimate the amount of the loss or range of loss. It is particularly difficult to determine if a loss is probable or reasonably possible, or to estimate the amount of loss, where the factual record is being developed or contested or where plaintiffs or government entities seek substantial or indeterminate damages, restitution, forfeiture, disgorgement or penalties. Numerous issues may need to be resolved in an investigation or proceeding before a determination can be made that a loss or additional loss (or range of loss or range of additional loss) is probable or reasonably possible, or to estimate the amount of loss, including through potentially lengthy discovery or determination of important factual matters, determination of issues related to class certification, the calculation of damages or other relief, and consideration of novel or unsettled legal questions relevant to the proceedings or investigations in question.

The Firm has identified below any individual proceedings or investigations where the Firm believes a material loss to be reasonably possible. In certain legal proceedings in which the Firm has determined that a material loss is reasonably possible, the Firm is unable to reasonably estimate the loss or range of loss. There are other matters in which the Firm has determined a loss or range of loss to be reasonably possible, but the Firm does not believe, based on current knowledge and after consultation with counsel, that such losses could have a material adverse effect on the Firm's financial statements as a whole, although the outcome of such proceedings or investigations may significantly impact the Firm's business or results of operations for any particular reporting period, or cause significant reputational harm.

While the Firm has identified below certain proceedings or investigations that the Firm believes to be material, individually or collectively, there can be no assurance that material losses will not be incurred from claims that have not yet been asserted or those where potential losses have not yet been determined to be probable or reasonably possible.

Antitrust Related Matters

The Firm and other financial institutions are responding to a number of governmental investigations and civil litigation matters related to allegations of anticompetitive conduct in various aspects of the financial services industry, including the matters described below.

Beginning in February of 2016, the Firm was named as a defendant in multiple purported antitrust class actions now consolidated into a single proceeding in the United States District Court for the Southern District of New York ("SDNY") styled *In Re: Interest Rate Swaps Antitrust Litigation*. Plaintiffs allege, inter alia, that the Firm, together with a number of other financial institution defendants, violated U.S. and New York state antitrust laws from 2008 through December of 2016 in connection with alleged efforts to prevent the development of electronic exchange-based platforms for interest rate swaps trading. Complaints were filed both on behalf of a purported class of investors who purchased interest rate swaps from defendants, as well as on behalf of three operators of swap execution facilities that allegedly were thwarted by the defendants in their efforts to develop such platforms. The consolidated complaints seek, inter alia, certification of the investor class of plaintiffs and treble damages. On July 28, 2017, the court granted in part and denied in part the defendants' motion to dismiss the complaints. On December 15, 2023, the court denied the class plaintiffs' motion for class certification. On December 29, 2023, the class plaintiffs petitioned the United States Court of Appeals for the Second Circuit for leave to appeal that decision. On February 28, 2024, the parties reached an agreement in principle to settle the class claims. On July 17, 2025, the court granted final approval of the settlement. The claims brought by the three operators of swap execution facilities remain pending, and on March 12, 2026, defendants filed a motion for summary judgment.

The Firm is a defendant in three antitrust class action complaints which have been consolidated into one proceeding in the United States District Court for the SDNY under the caption *City of Philadelphia, et al. v. Bank of America Corporation, et al.* Plaintiffs allege, inter alia, that the Firm, together with a number of other financial institution defendants, violated U.S. antitrust laws and relevant state laws in connection with alleged efforts to artificially inflate interest rates for Variable Rate Demand Obligations ("VRDO"). The consolidated complaint seeks, inter alia, certification of the class of plaintiffs and treble damages. The complaint was filed on behalf of a class of municipal issuers of VRDO for which defendants served as remarketing agent. On November 2, 2020, the court granted in part and denied in part the defendants' motion to dismiss the consolidated complaint, dismissing state law claims, but denying dismissal of the U.S. antitrust claims. On September 21, 2023, the court granted plaintiffs' motion for class certification. On February 5, 2024, the United States Court of Appeals for the Second Circuit granted leave to appeal that decision and, on August 1, 2025, affirmed the court's decision. On December 1, 2025, defendants filed a petition for writ of certiorari with the United States Supreme Court regarding the Second Circuit's August 2025 decision, which the Supreme Court denied on April 20, 2026. On July 13, 2026, defendants filed a motion for summary judgment.

U.K. Government Bond Matter

On February 21, 2025, the U.K. Competition and Markets Authority announced a settlement with the Firm, as well as other financial institutions, in connection with its investigation of suspected anti-competitive arrangements in the financial services sector, specifically regarding the Firm's activities concerning certain liquid fixed income products between 2009 and 2012. Separately, on June 16, 2023, the Firm was named as a defendant in a purported antitrust class action in the United States District Court for the SDNY styled *Oklahoma Firefighters Pension and Retirement System v. Deutsche Bank Aktiengesellschaft, et al.*, alleging, inter alia, that the Firm, together with a number of other financial institution defendants, violated U.S. antitrust laws in connection with their alleged effort to fix prices of gilts traded in the United States between 2009 and 2013. The complaint seeks, inter alia, certification of the class of plaintiffs and treble damages. On September 16, 2024, the court granted defendants' joint motion to dismiss, and the complaint was dismissed without prejudice. In October of 2024, the Firm and certain other defendants reached an agreement in principle to settle the U.S. litigation. On March 17, 2025, the court granted preliminary approval of the settlement.

Other

On May 17, 2013, the plaintiff in *IKB International S.A. in Liquidation, et al. v. Morgan Stanley, et al.* filed a complaint against the Firm and certain affiliates in the Supreme Court of the State of New York, New York County. The complaint alleges that defendants made material misrepresentations and omissions in the sale to the plaintiff of certain mortgage pass-through certificates backed by securitization trusts containing residential mortgage loans. The total amount of certificates allegedly sponsored, underwritten and/or sold by the Firm to the plaintiff was approximately $133 million. The complaint alleges causes of action against the Firm for common law fraud, fraudulent concealment, aiding and abetting fraud, and negligent misrepresentation, and seeks, inter alia, compensatory and punitive damages. On October 29, 2014, the court granted in part and denied in part the Firm's motion to dismiss. All claims regarding four certificates were dismissed. After these dismissals, the remaining amount of certificates allegedly issued by the Firm or sold to the plaintiff by the Firm was approximately $116 million. On August 11, 2016, the Appellate Division affirmed the trial court's order denying in part the Firm's motion to dismiss the complaint. On July 15, 2022, the Firm filed a motion for summary judgment on all remaining claims. On March 1, 2023, the court granted in part and denied in part the Firm's motion for summary judgment, narrowing the alleged misrepresentations at issue in the case. On March 26, 2024, the Appellate Division affirmed the trial court's summary judgment order. On August 27, 2024, the plaintiff notified the court that in light of the court's rulings to exclude certain evidence at trial, the plaintiff could not prove its claims at trial, and requested that the court dismiss the case, subject to its right to appeal the evidentiary rulings. On August 28, 2024, the court dismissed the case, and judgment was entered in the Firm's favor. The plaintiff has appealed.

Beginning in February of 2024, Morgan Stanley Smith Barney LLC ("MSSB") and E*TRADE Securities LLC ("E*TRADE Securities"), among others, have been named as defendants in multiple putative class actions pending in the federal district courts for the District of New Jersey and SDNY. The class action claims have been brought on behalf of brokerage, advisory and retirement account holders, alleging various contractual, fiduciary, and statutory claims (including under the Racketeer Influenced and Corrupt Organizations Act, 18 U.S.C. §1962(c)-(d)) that MSSB and/or E*TRADE Securities failed to pay a reasonable rate of interest on its cash sweep products. All matters pending in the SDNY (which focus solely on MSSB's cash sweep program) were consolidated into one action styled *Estate of Sherlip, et al. v. Morgan Stanley, et al.* An amended class action complaint was filed on August 15, 2025. On September 12, 2025, MSSB moved to dismiss the complaint. The matters pending in the District of New Jersey (which includes claims against both MSSB and E*TRADE Securities) have been consolidated into one action styled *In re E*TRADE Cash Sweep Litigation*, No. 2:24-cv-00603. A consolidated complaint was filed on July 16, 2026. Together, the complaints seek, inter alia, certification of classes of plaintiffs, unspecified compensatory damages, equitable and injunctive relief, and treble damages. The Firm is also responding to requests from state securities regulators regarding brokerage account cash balances swept to the affiliate bank deposit program.

14. Variable Interest Entities and Securitization Activities

Consolidated VIE Assets and Liabilities by Type of Activity

	At June 30, 2026		At December 31, 2025	
$ in millions	VIE Assets	VIE Liabilities	VIE Assets	VIE Liabilities
MABS[1]	**$ 1,366**	**$ 479**	$ 468	$ 2
Investment vehicles[2]	**550**	**382**	263	5
MTOB	**2,225**	**2,022**	1,781	1,651
Other	**170**	**3**	47	3
Total	**$ 4,311**	**$ 2,886**	$ 2,559	$ 1,661

MTOB—Municipal tender option bonds
1. Amounts include transactions backed by residential mortgage loans, commercial mortgage loans and other types of assets, including consumer or commercial assets and may be in loan or security form. The value of assets is determined based on the fair value of the liabilities and the interests owned by the Firm in such VIEs as the fair values for the liabilities and interests owned are more observable.
2. Amounts include investment funds and CLOs.

Consolidated VIE Assets and Liabilities by Balance Sheet Caption

$ in millions	At June 30, 2026	At December 31, 2025
Assets		
Cash and cash equivalents	**$ 45**	$ 19
Trading assets at fair value	**2,955**	1,216
Investment securities	**1,304**	1,318
Customer and other receivables	**6**	5
Other assets	**1**	1
Total	**$ 4,311**	$ 2,559
Liabilities		
Trading liabilities at fair value	**$ 4**	$ —
Other secured financings	**$ 2,871**	$ 1,653
Other liabilities and accrued expenses	**8**	5
Borrowings	**3**	3
Total	**$ 2,886**	$ 1,661
Noncontrolling interests	**$ 72**	$ 145

Consolidated VIE assets and liabilities are presented in the previous tables after intercompany eliminations. Generally, most assets owned by consolidated VIEs cannot be removed unilaterally by the Firm and are not available to the Firm while the related liabilities issued by consolidated VIEs are non-recourse to the Firm. However, in certain consolidated VIEs, the Firm either has the unilateral right to remove assets or provides additional recourse through derivatives such as total return swaps, guarantees or other forms of involvement.

In general, the Firm's exposure to loss in consolidated VIEs is limited to losses that would be absorbed on the VIE net assets recognized in its financial statements, net of amounts absorbed by third-party variable interest holders.

Non-consolidated VIEs

	At June 30, 2026				
$ in millions	MABS[1]	CDO	MTOB	OSF	Other[2]
VIE assets (UPB)	**$234,747**	**$4,212**	**$3,546**	**$4,268**	**$92,172**
Maximum exposure to loss[3]					
Debt and equity interests	**$ 32,313**	**$ 227**	**$ —**	**$2,516**	**$12,806**
Derivative and other contracts	**—**	**—**	**2,604**	**—**	**5,905**
Commitments, guarantees and other	**10,093**	**—**	**—**	**—**	**179**
Total	**$ 42,406**	**$ 227**	**$2,604**	**$2,516**	**$18,890**
Carrying value of variable interests—Assets					
Debt and equity interests	**$ 32,313**	**$ 227**	**$ —**	**$1,950**	**$12,806**
Derivative and other contracts	**—**	**—**	**3**	**—**	**2,387**
Total	**$ 32,313**	**$ 227**	**$ 3**	**$1,950**	**$15,193**
Additional VIE assets owned[4]					**$17,110**
Carrying value of variable interests—Liabilities					
Derivative and other contracts	**$ —**	**$ —**	**$ 1**	**$ —**	**$ 1,095**

	At December 31, 2025				
$ in millions	MABS[1]	CDO	MTOB	OSF	Other[2]
VIE assets (UPB)	$218,543	$3,432	$4,620	$4,535	$87,118
Maximum exposure to loss[3]					
Debt and equity interests	$ 32,074	$ 158	$ —	$2,611	$11,904
Derivative and other contracts	—	—	3,258	—	4,473
Commitments, guarantees and other	10,414	—	—	—	190
Total	$ 42,488	$ 158	$3,258	$2,611	$16,567
Carrying value of variable interests—Assets					
Debt and equity interests	$ 32,074	$ 158	$ —	$1,967	$11,904
Derivative and other contracts	—	—	5	—	2,010
Total	$ 32,074	$ 158	$ 5	$1,967	$13,914
Additional VIE assets owned[4]					$15,907
Carrying value of variable interests—Liabilities					
Derivative and other contracts	$ —	$ —	$ 2	$ —	$ 780

OSF–Other structured financings
1. Amounts include transactions backed by residential mortgage loans, commercial mortgage loans and other types of assets, including consumer or commercial assets, and may be in loan or security form.
2. Other primarily includes exposures to investment funds and equity-linked notes.
3. Where notional amounts are utilized in quantifying the maximum exposure related to derivatives, such amounts do not reflect changes in fair value recorded by the Firm.
4. Additional VIE assets owned represents the carrying value of total exposure to non-consolidated VIEs for which the maximum exposure to loss is less than specific thresholds, primarily interests issued by securitization SPEs. The Firm's maximum exposure to loss generally equals the fair value of the assets owned. These assets are primarily included in Trading assets and Investment securities and are measured at fair value (see Note 4). The Firm does not provide additional support in these transactions through contractual facilities, guarantees or similar derivatives.

The previous tables include VIEs sponsored by unrelated parties, as well as VIEs sponsored by the Firm; examples of the Firm's involvement with these VIEs include its secondary market-making activities and the securities held in its Investment securities portfolio (see Note 7).

The Firm's maximum exposure to loss is dependent on the nature of the Firm's variable interest in the VIE and is limited to the notional amounts of certain liquidity facilities and other credit support, total return swaps and written put options, as well as the fair value of certain other derivatives and investments the Firm has made in the VIE.

The Firm's maximum exposure to loss in the previous tables does not include the offsetting benefit of hedges or any reductions associated with the amount of collateral held as part of a transaction with the VIE or any party to the VIE directly against a specific exposure to loss.

Liabilities issued by VIEs generally are non-recourse to the Firm.

Detail of Mortgage- and Asset-Backed Securitization Assets

	At June 30, 2026		At December 31, 2025	
$ in millions	UPB	Debt and Equity Interests	UPB	Debt and Equity Interests
Residential mortgages	**$ 25,431**	**$ 3,743**	$ 20,130	$ 3,183
Commercial mortgages	**89,596**	**8,386**	96,473	11,251
U.S. agency collateralized mortgage obligations	**64,458**	**7,452**	58,876	7,136
Other consumer or commercial loans	**55,262**	**12,732**	43,064	10,504
Total	**$ 234,747**	**$ 32,313**	$ 218,543	$ 32,074

Transferred Assets with Continuing Involvement

	At June 30, 2026			
$ in millions	RML	CML	U.S. Agency CMO	CLN and Other[1]
SPE assets (UPB)[2,3]	**$18,307**	**$ 88,002**	**$ 18,560**	**$ 12,983**
Retained interests				
Investment grade	**$ 270**	**$ 506**	**$ 988**	**$ —**
Non-investment grade	**655**	**1,052**	**—**	**88**
Total	**$ 925**	**$ 1,558**	**$ 988**	**$ 88**
Interests purchased in the secondary market[3]				
Investment grade	**$ 119**	**$ 22**	**$ —**	**$ —**
Non-investment grade	**14**	**38**	**2**	**10**
Total	**$ 133**	**$ 60**	**$ 2**	**$ 10**
Derivative assets	**$ —**	**$ —**	**$ —**	**$ 1,656**
Derivative liabilities	**—**	**—**	**—**	**881**

	At December 31, 2025			
$ in millions	RML	CML	U.S. Agency CMO	CLN and Other[1]
SPE assets (UPB)[2,3]	$15,089	$ 84,729	$ 18,230	$ 13,312
Retained interests				
Investment grade	$ 288	$ 456	$ 1,127	$ —
Non-investment grade	460	1,131	—	123
Total	$ 748	$ 1,587	$ 1,127	$ 123
Interests purchased in the secondary market[3]				
Investment grade	$ 62	$ 62	$ 52	$ —
Non-investment grade	14	30	—	—
Total	$ 76	$ 92	$ 52	$ —
Derivative assets	$ —	$ —	$ —	$ 1,522
Derivative liabilities	—	—	—	733

	Fair Value At June 30, 2026		
$ in millions	Level 2	Level 3	Total
Retained interests			
Investment grade	**$ 1,183**	**$ —**	**$ 1,183**
Non-investment grade	**49**	**111**	**160**
Total	**$ 1,232**	**$ 111**	**$ 1,343**
Interests purchased in the secondary market[3]			
Investment grade	**$ 141**	**$ —**	**$ 141**
Non-investment grade	**37**	**27**	**64**
Total	**$ 178**	**$ 27**	**$ 205**
Derivative assets	**$ 1,656**	**$ —**	**$ 1,656**
Derivative liabilities	**881**	**—**	**881**

	Fair Value At December 31, 2025		
$ in millions	Level 2	Level 3	Total
Retained interests			
Investment grade	$ 1,346	$ —	$ 1,346
Non-investment grade	122	58	180
Total	$ 1,468	$ 58	$ 1,526
Interests purchased in the secondary market[3]			
Investment grade	$ 176	$ —	$ 176
Non-investment grade	22	22	44
Total	$ 198	$ 22	$ 220
Derivative assets	$ 1,522	$ —	$ 1,522
Derivative liabilities	733	—	733

RML—Residential mortgage loans
CML—Commercial mortgage loans
1. Amounts include CLO transactions managed by unrelated third parties.
2. Amounts include assets transferred by unrelated transferors.
3. Amounts include transactions where the Firm also holds retained interests as part of the transfer.

The previous tables include transactions with SPEs in which the Firm, acting as principal, transferred financial assets with continuing involvement and received sales treatment. The transferred assets are carried at fair value prior to securitization, and any changes in fair value are recognized in the income statement. The Firm may act as underwriter of the beneficial interests issued by these securitization vehicles, for which Investment banking revenues are recognized. The Firm may retain interests in the securitized financial assets as one or more tranches of the securitization. Certain retained interests are carried at fair value in the balance sheet with changes in fair value recognized in the income statement. Fair value for these interests is measured using techniques that are consistent with the valuation techniques applied to the Firm's major categories of assets and liabilities as described in Note 2 in the 2025 Form 10-K and Note 4 herein. Further, as permitted by applicable guidance, certain transfers of assets where the Firm's only continuing involvement is a derivative are only reported in the following Assets Sold with Retained Exposure table.

Proceeds from New Securitization Transactions

	Three Months Ended June 30,		Six Months Ended June 30,	
$ in millions	**2026**	2025	**2026**	2025
New transactions[1]	**$ 14,775**	$ 12,136	**$ 26,740**	$ 26,446
Retained interests[2]	**159**	2,461	**290**	5,240

1. Amounts include cash and non-cash proceeds from transfers of mortgage loans and mortgage-backed securities to U.S. agency and non-agency securitization entities. Net gains on new transactions were not material for all periods presented.
2. Amounts include principal and interest cash flows received in the period on retained interests held by the Firm. Prior to the second quarter of 2026, Retained interests also included the notional of interests in securitization transactions sold by the Firm in the secondary market during the period, which were $3.4 billion for the three months ended March 31, 2026. Principal and interest cash flows were $91 million and $180 million for the three months and six months ended June 30, 2025, respectively.

The Firm has provided, or otherwise agreed to be responsible for, representations and warranties regarding certain assets transferred in securitization transactions sponsored by the Firm (see Note 13).

Assets Sold with Retained Exposure

$ in millions	At June 30, 2026	At December 31, 2025
Gross cash proceeds from sale of assets[1]	$ 132,445	$ 112,395
Fair value		
Assets sold	$ 134,984	$ 113,159
Derivative assets recognized in the balance sheet	3,170	1,201
Derivative liabilities recognized in the balance sheet	631	438

1. The carrying value of assets derecognized at the time of sale approximates gross cash proceeds.

The Firm enters into transactions in which it sells securities, primarily equities, and contemporaneously enters into bilateral OTC derivatives with the purchasers of the securities, through which it retains exposure to the sold securities.

For a discussion of the Firm's VIEs, the determination and structure of VIEs and securitization activities, see Note 15 to the financial statements in the 2025 Form 10-K.

15. Regulatory Requirements

Regulatory Capital Framework and Requirements

For a discussion of the Firm's regulatory capital framework, see Note 16 to the financial statements in the 2025 Form 10-K.

The Firm is required to maintain minimum risk-based and leverage-based capital ratios under regulatory capital requirements. A summary of the calculations of regulatory capital and RWA follows.

Risk-Based Regulatory Capital. Risk-based capital ratio requirements apply to Common Equity Tier 1 ("CET1") capital, Tier 1 capital and Total capital (which includes Tier 2 capital), each as a percentage of RWA, and consist of regulatory minimum required ratios plus the Firm's capital conservation buffer requirement. Capital requirements require certain adjustments to, and deductions from, capital for purposes of determining these ratios. At June 30, 2026 and December 31, 2025, the differences between the actual and required ratios were lower under the Standardized Approach.

Capital Buffer Requirements

	At June 30, 2026 and December 31, 2025	
	Standardized	Advanced
Capital buffers		
Fixed 2.5% buffer	—%	2.5%
SCB	4.3%	N/A
G-SIB capital surcharge	3.0%	3.0%
CCyB[1]	—%	—%
Capital conservation buffer requirement	7.3%	5.5%

1. The CCyB can be set up to 2.5%, but is currently set by the Federal Reserve at zero.

The capital conservation buffer requirement represents the amount of CET1 capital the Firm must maintain above the minimum risk-based capital requirements in order to avoid restrictions on the Firm's ability to make capital distributions, including the payment of dividends and the repurchase of stock, and to pay discretionary bonuses to executive officers. The Firm's capital conservation buffer requirement computed under the standardized approaches for calculating credit risk and market risk RWA ("Standardized Approach") is equal to the sum of the SCB, G-SIB capital surcharge and CCyB. The capital conservation buffer requirement computed under the applicable advanced approaches for calculating credit risk, market risk and operational risk RWA ("Advanced Approach") is equal to the sum of a fixed 2.5% buffer, G-SIB capital surcharge and CCyB.

Risk-Based Regulatory Capital Ratio Requirements

	Regulatory Minimum	At June 30, 2026 and December 31, 2025	
		Standardized	Advanced
Required ratios[1]			
CET1 capital ratio	4.5%	11.8%	10.0%
Tier 1 capital ratio	6.0%	13.3%	11.5%
Total capital ratio	8.0%	15.3%	13.5%

1. Required ratios represent the regulatory minimum plus the capital conservation buffer requirement.

The Firm's Regulatory Capital and Capital Ratios

Risk-based capital

	Standardized	
$ in millions	At June 30, 2026	At December 31, 2025
Risk-based capital		
CET1 capital	$ 87,568	$ 83,153
Tier 1 capital	97,217	92,728
Total capital	108,916	103,449
Total RWA	589,397	552,515
Risk-based capital ratio		
CET1 capital	14.9%	15.0%
Tier 1 capital	16.5%	16.8%
Total capital	18.5%	18.7%
Required ratio[1]		
CET1 capital	11.8%	11.8%
Tier 1 capital	13.3%	13.3%
Total capital	15.3%	15.3%

1. Required ratios are inclusive of any buffers applicable as of the date presented.

Notes to Consolidated Financial Statements (Unaudited)

Leveraged-based capital

$ in millions	At June 30, 2026	At December 31, 2025
Leveraged-based capital		
Adjusted average assets[1]	$ 1,608,012	$ 1,383,314
Supplementary leverage exposure[2]	1,970,884	1,717,775
Leveraged-based capital ratio		
Tier 1 leverage	6.0%	6.7%
SLR	4.9%	5.4%
Required ratio[3]		
Tier 1 leverage	4.0%	4.0%
SLR[4]	3.5%	5.0%

1. Adjusted average assets represents the denominator of the Tier 1 leverage ratio and is composed of the average daily balance of consolidated on-balance sheet assets for the quarters ending on the respective balance sheet dates, reduced by disallowed goodwill, intangible assets, investments in covered funds, defined benefit pension plan assets, non-cash after-tax gain on sale from assets sold into securitizations, investments in our own capital instruments, certain deferred tax assets and other capital deductions.
2. Supplementary leverage exposure is the sum of Adjusted average assets used in the Tier 1 leverage ratio and other adjustments, primarily: (i) for derivatives, potential future exposure and the effective notional principal amount of sold credit protection offset by qualifying purchased credit protection; (ii) the counterparty credit risk for repo-style transactions; and (iii) the credit equivalent amount for off-balance sheet exposures.
3. Required ratios are inclusive of any buffers applicable as of the date presented.
4. As of January 1, 2026, the Firm and its U.S. Bank Subsidiaries elected to early adopt the final rulemaking on changes to the enhanced supplementary leverage ratio ("eSLR") by the U.S. banking agencies, which removed the eSLR threshold for a covered depository institution to be considered well-capitalized and instead implemented the eSLR as a buffer standard. Under the final rule, the eSLR buffer applicable to U.S. G-SIBs equals 50% of each BHC's Method 1 G-SIB capital surcharge, which equates to 0.5% for the Firm, applied above the 3.0% minimum SLR requirement.

U.S. Bank Subsidiaries' Regulatory Capital and Capital Ratios

The OCC establishes capital requirements for the U.S. Bank Subsidiaries, and evaluates their compliance with such capital requirements. Regulatory capital requirements for the U.S. Bank Subsidiaries are calculated in a similar manner to the Firm's regulatory capital requirements, although G-SIB capital surcharge and SCB requirements do not apply to the U.S. Bank Subsidiaries.

The OCC's regulatory capital framework includes Prompt Corrective Action ("PCA") standards, including "well-capitalized" PCA standards that are based on specified regulatory capital ratio minimums. For the Firm to remain an FHC, its U.S. Bank Subsidiaries must remain well-capitalized in accordance with the OCC's PCA standards. In addition, failure by the U.S. Bank Subsidiaries to meet minimum capital requirements may result in certain mandatory and discretionary actions by regulators that, if undertaken, could have a direct material effect on the U.S. Bank Subsidiaries' and the Firm's financial statements.

At June 30, 2026 and December 31, 2025, MSBNA and MSPBNA risk-based capital ratios are based on the Standardized Approach rules.

MSBNA's Regulatory Capital[1]

$ in millions	Well-Capitalized Requirement	Required Ratio[2]	At June 30, 2026 Amount	At June 30, 2026 Ratio	At December 31, 2025 Amount	At December 31, 2025 Ratio
Risk-based capital						
CET1 capital	6.5 %	7.0 %	$ 41,092	18.2 %	$ 25,545	20.3 %
Tier 1 capital	8.0 %	8.5 %	41,092	18.2 %	25,545	20.3 %
Total capital	10.0 %	10.5 %	42,034	18.6 %	26,423	21.0 %
Leverage-based capital						
Tier 1 leverage	5.0 %	4.0 %	$ 41,092	10.4 %	$ 25,545	10.1 %
SLR[3,4]	N/A	3.5 %	41,092	7.0 %	25,545	7.6 %

MSPBNA's Regulatory Capital

$ in millions	Well-Capitalized Requirement	Required Ratio[2]	At June 30, 2026 Amount	At June 30, 2026 Ratio	At December 31, 2025 Amount	At December 31, 2025 Ratio
Risk-based capital						
CET1 capital	6.5 %	7.0 %	$ 16,645	25.0 %	$ 17,298	26.1 %
Tier 1 capital	8.0 %	8.5 %	16,645	25.0 %	17,298	26.1 %
Total capital	10.0 %	10.5 %	17,034	25.6 %	17,665	26.6 %
Leverage-based capital						
Tier 1 leverage	5.0 %	4.0 %	$ 16,645	6.7 %	$ 17,298	7.0 %
SLR[3,4]	N/A	3.5 %	16,645	6.5 %	17,298	6.8 %

1. MSBNA's regulatory capital and capital ratios are presented as historically reported and have not been retrospectively adjusted to reflect the merger of the MSCS fixed income business into MSBNA and MSBNA's acquisition of MSESE in the first quarter of 2026, as the Firm assesses these measures based on the legal-entity structures in effect during the applicable period.
2. Required ratios are inclusive of any buffers applicable as of the date presented. Failure to maintain the buffers would result in restrictions on the ability to make capital distributions, including the payment of dividends.
3. Beginning January 1, 2026, MSBNA and MSPBNA were subject to a 3.5% SLR standard (inclusive of a 0.5% eSLR buffer based on Method 1 G-SIB capital surcharge of 1.0%). The eSLR buffer applicable to U.S. G-SIBs' insured depository institution subsidiaries has the same form and calibration as the BHC-level standard but is capped at 1.0%, applied above the 3.0% minimum SLR requirement.
4. As of December 31, 2025, the SLR well-capitalized requirement and required ratio was 6.0% and 3.0%, respectively, for both MSBNA and MSPBNA.

Additionally, MSBNA is conditionally registered with the SEC as a security-based swap dealer and is registered with the CFTC as a swap dealer. However, as MSBNA is prudentially regulated as a bank, its capital requirements continue to be determined by the OCC.

Other Regulatory Capital Requirements

MS&Co. Regulatory Capital

$ in millions	At June 30, 2026	At December 31, 2025
Net capital	$ 26,696	$ 19,272
Excess net capital	20,920	13,905

MS&Co. is registered as a broker-dealer and a futures commission merchant with the SEC and the CFTC, respectively, and is registered as a swap dealer with the CFTC.

As an Alternative Net Capital broker-dealer, and in accordance with Securities Exchange Act of 1934 ("Exchange Act") Rule 15c3-1, Appendix E, MS&Co. is subject to minimum net capital and tentative net capital requirements and operates with capital in excess of its regulatory capital requirements. As a futures commission merchant and registered swap dealer, MS&Co. is subject to CFTC capital requirements. In addition, MS&Co. must notify the SEC if its tentative net capital falls below certain levels. At June 30, 2026 and December 31, 2025, MS&Co. exceeded its net capital requirement and had tentative net capital in excess of the minimum and notification requirements.

Other Regulated Subsidiaries

Certain other subsidiaries are also subject to various regulatory capital requirements. Such subsidiaries include the following, each of which operated with capital in excess of their respective regulatory capital requirements as of June 30, 2026 and December 31, 2025, as applicable:

- MSSB,
- MSIP,
- MSESE,
- MSMS,
- MSCS, and
- MSCG.

See Note 16 to the financial statements in the 2025 Form 10-K for further information.

16. Total Equity

Preferred Stock

$ in millions, except per share data	Shares Outstanding At June 30, 2026	Liquidation Preference per Share	Carrying Value At June 30, 2026	Carrying Value At December 31, 2025
Series				
A	**44,000**	**$ 25,000**	**$ 1,100**	$ 1,100
C[1]	**519,882**	**1,000**	**408**	408
E	**34,500**	**25,000**	**862**	862
F	**34,000**	**25,000**	**850**	850
I	**40,000**	**25,000**	**1,000**	1,000
K	**40,000**	**25,000**	**1,000**	1,000
L	**20,000**	**25,000**	**500**	500
M	**400,000**	**1,000**	**430**	430
N	**3,000**	**100,000**	**300**	300
O	**52,000**	**25,000**	**1,300**	1,300
P	**40,000**	**25,000**	**1,000**	1,000
Q	**40,000**	**25,000**	**1,000**	1,000
Total			**$ 9,750**	$ 9,750
Shares authorized				30,000,000

1. Series C preferred stock is held by MUFG.

For a description of Series A through Series Q preferred stock, see Note 17 to the financial statements in the 2025 Form 10-K. The Firm's preferred stock has a preference over its common stock upon liquidation. The Firm's preferred stock qualifies as and is included in Tier 1 capital in accordance with regulatory capital requirements (see Note 15).

Share Repurchases

$ in millions	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Repurchases of common stock under the Firm's Share Repurchase Authorization	**$ 1,500**	$ 1,000	**$ 3,250**	$ 2,000

On June 24, 2026, the Firm announced that its Board of Directors reauthorized a multi-year repurchase program of up to $20 billion of outstanding common stock (the "Share Repurchase Authorization"), without a set expiration date, beginning in the third quarter of 2026, which will be exercised from time to time as conditions warrant and is subject to limitations on distributions from the Federal Reserve. For more information on share repurchases, see Note 17 to the financial statements in the 2025 Form 10-K.

Common Shares Outstanding for Basic and Diluted EPS

in millions	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Weighted average common shares outstanding, basic	**1,554**	1,577	**1,558**	1,581
Effect of dilutive RSUs and PSUs	**15**	16	**15**	15
Weighted average common shares outstanding and common stock equivalents, diluted	**1,569**	1,593	**1,573**	1,596
Weighted average antidilutive common stock equivalents (excluded from the computation of diluted EPS)	**—**	4	**4**	4

Dividends

$ in millions, except per share data	Three Months Ended June 30, 2026 Per Share[1]	2026 Total	2025 Per Share[1]	2025 Total
Preferred stock series				
A	**$ 293**	**$ 13**	$ 330	$ 15
C	**25**	**13**	25	13
E	**450**	**15**	450	16
F	**434**	**15**	434	14
I	**403**	**16**	403	16
K	**366**	**15**	366	14
L	**305**	**6**	305	6
N	**1,794**	**5**	1,952	6
O	**266**	**14**	266	14
P	**406**	**16**	406	16
Q	**414**	**17**	414	17
Total Preferred stock		**$ 145**		$ 147
Common stock	**$ 1.00**	**$ 1,575**	$ 0.925	$ 1,478

$ in millions, except per share data	Six Months Ended June 30, 2026 Per Share[1]	2026 Total	2025 Per Share[1]	2025 Total
Preferred stock series				
A	**$ 583**	**$ 26**	$ 659	$ 29
C	**50**	**26**	50	26
E	**896**	**31**	896	31
F	**864**	**29**	864	29
I	**801**	**32**	801	32
K	**731**	**29**	731	29
L	**609**	**12**	609	12
M[2]	**29**	**12**	29	12
N	**3,600**	**11**	3,918	12
O	**531**	**28**	531	28
P	**813**	**32**	813	32
Q	**828**	**33**	828	33
Total Preferred stock		**$ 301**		$ 305
Common stock	**$ 2.00**	**$ 3,164**	$ 1.85	$ 2,970

1. Common and Preferred Stock dividends are payable quarterly unless otherwise noted.
2. Series M is payable semiannually until September 15, 2026 and thereafter will be payable quarterly.

Accumulated Other Comprehensive Income (Loss) Rollforward

Three Months Ended June 30, 2026

$ in millions	CTA	AFS Securities	Pension and Other	DVA	Cash Flow Hedges	Total
Beginning Balance	$(1,176)	$ (1,720)	$ (554)	$(1,781)	$ (275)	$(5,506)
OCI activity:						
Pre-Tax Gain (Loss)	**29**	**11**	**1**	**(838)**	**(279)**	**(1,076)**
Tax effect	**(48)**	**(3)**	**—**	**205**	**67**	**221**
After-tax Gain (Loss)	**(19)**	**8**	**1**	**(633)**	**(212)**	**(855)**
Noncontrolling Interests	**(22)**	**—**	**—**	**(4)**	**—**	**(26)**
OCI Activity	**3**	**8**	**1**	**(629)**	**(212)**	**(829)**
Reclassified to Earnings:						
Pre-tax Reclass.	**—**	**(7)**	**6**	**4**	**6**	**9**
Tax effect	**—**	**2**	**(2)**	**(1)**	**(2)**	**(3)**
Reclass. After-tax	**—**	**(5)**	**4**	**3**	**4**	**6**
Net OCI Activity	**3**	**3**	**5**	**(626)**	**(208)**	**(823)**
Ending Balance	**$(1,173)**	**$ (1,717)**	**$ (549)**	**$(2,407)**	**$ (483)**	**$(6,329)**

Three Months Ended June 30, 2025

$ in millions	CTA	AFS Securities	Pension and Other	DVA	Cash Flow Hedges	Total
Beginning Balance	$(1,332)	$ (2,215)	$ (581)	$(1,815)	$ (18)	$(5,961)
OCI activity:						
Pre-Tax Gain (Loss)	(79)	55	(1)	(236)	(4)	(265)
Tax effect	283	(13)	—	60	1	331
After-tax Gain (Loss)	204	42	(1)	(176)	(3)	66
Noncontrolling Interests	36	—	—	6	—	42
OCI Activity	168	42	(1)	(182)	(3)	24
Reclassified to Earnings:						
Pre-tax Reclass.	—	—	5	3	25	33
Tax effect	—	—	(2)	(1)	(6)	(9)
Reclass. After-tax	—	—	3	2	19	24
Net OCI Activity	168	42	2	(180)	16	48
Ending Balance	$(1,164)	$ (2,173)	$ (579)	$(1,995)	$ (2)	$(5,913)

Six Months Ended June 30, 2026

$ in millions	CTA	AFS Securities	Pension and Other	DVA	Cash Flow Hedges	Total
Beginning Balance	$(1,170)	$ (1,585)	$ (558)	$(2,995)	$ 23	$(6,285)
OCI activity:						
Pre-Tax Gain (Loss)	**74**	**(160)**	**1**	**781**	**(675)**	**21**
Tax effect	**(111)**	**38**	**—**	**(192)**	**161**	**(104)**
After-tax Gain (Loss)	**(37)**	**(122)**	**1**	**589**	**(514)**	**(83)**
Noncontrolling Interests	**(34)**	**—**	**—**	**11**	**—**	**(23)**
OCI Activity	**(3)**	**(122)**	**1**	**578**	**(514)**	**(60)**
Reclassified to Earnings:						
Pre-tax Reclass.	**—**	**(13)**	**11**	**13**	**11**	**22**
Tax effect	**—**	**3**	**(3)**	**(3)**	**(3)**	**(6)**
Reclass. After-tax	**—**	**(10)**	**8**	**10**	**8**	**16**
Net OCI Activity	**(3)**	**(132)**	**9**	**588**	**(506)**	**(44)**
Ending Balance	**$(1,173)**	**$ (1,717)**	**$ (549)**	**$(2,407)**	**$ (483)**	**$(6,329)**

Six Months Ended June 30, 2025

$ in millions	CTA	AFS Securities	Pension and Other	DVA	Cash Flow Hedges	Total
Beginning Balance	$(1,477)	$ (2,573)	$ (583)	$(2,146)	$ (35)	$(6,814)
OCI activity:						
Pre-Tax Gain (Loss)	(25)	546	(1)	203	13	736
Tax effect	417	(130)	—	(48)	(3)	236
After-tax Gain (Loss)	392	416	(1)	155	10	972
Noncontrolling Interests	79	—	—	13	—	92
OCI Activity	313	416	(1)	142	10	880
Reclassified to Earnings:						
Pre-tax Reclass.	—	(21)	10	12	30	31
Tax effect	—	5	(5)	(3)	(7)	(10)
Reclass. After-tax	—	(16)	5	9	23	21
Net OCI Activity	313	400	4	151	33	901
Ending Balance	$(1,164)	$ (2,173)	$ (579)	$(1,995)	$ (2)	$(5,913)

17. Interest Income and Interest Expense

$ in millions	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Interest income				
Cash and cash equivalents	**$ 725**	$ 627	**$ 1,424**	$ 1,286
Investment securities	**1,272**	1,324	**2,615**	2,604
Loans	**3,805**	3,461	**7,387**	6,786
Securities purchased under agreements to resell[1]	**3,750**	3,780	**7,244**	7,196
Securities borrowed[2]	**1,594**	2,173	**3,292**	3,289
Trading assets, net of Trading liabilities	**2,008**	1,573	**3,942**	3,012
Customer receivables and Other	**2,748**	1,967	**5,271**	4,480
Total interest income	**$ 15,902**	$ 14,905	**$ 31,175**	$ 28,653
Interest expense				
Deposits	**$ 2,699**	$ 2,603	**$ 5,256**	$ 5,125
Borrowings	**3,410**	3,199	**6,593**	6,217
Securities sold under agreements to repurchase[3]	**3,573**	3,361	**7,188**	6,430
Securities loaned[4]	**774**	1,198	**1,545**	1,454
Customer payables and Other	**2,666**	2,197	**5,110**	4,727
Total interest expense	**$ 13,122**	$ 12,558	**$ 25,692**	$ 23,953
Net interest	**$ 2,780**	$ 2,347	**$ 5,483**	$ 4,700

1. Includes interest paid on Securities purchased under agreements to resell.
2. Includes fees paid on Securities borrowed.
3. Includes interest received on Securities sold under agreements to repurchase.
4. Includes fees received on Securities loaned.

Interest income and Interest expense are classified in the income statement based on the nature of the instrument and related market conventions. When included as a component of the instrument's fair value, interest is included within Trading revenues or Investments revenues. Otherwise, it is included within Interest income or Interest expense.

Accrued Interest

$ in millions	At June 30, 2026	At December 31, 2025
Customer and other receivables	**$ 4,539**	$ 4,051
Customer and other payables	**5,269**	4,663

18. Income Taxes

The Firm is routinely under examination by the IRS and other tax authorities in certain countries, such as the U.K., and in states and localities in which it has significant business operations, such as New York.

The Firm believes that the resolution of these tax examinations will not have a material effect on the annual financial statements, although a resolution could have a material impact in the income statement and on the effective tax rate for any period in which such resolutions occur.

19. Segment, Geographic and Revenue Information

Selected Financial Information by Business Segment

$ in millions	Three Months Ended June 30, 2026 IS	WM	IM	I/E	Total
Investment banking	**$2,437**	**$ 252**	**$ —**	**$ (38)**	**$ 2,651**
Trading	**6,650**	**102**	**(39)**	**10**	**6,723**
Investments	**31**	**11**	**184**	**—**	**226**
Commissions and fees[1]	**1,114**	**813**	**—**	**(94)**	**1,833**
Asset management[1,2]	**218**	**5,261**	**1,516**	**(83)**	**6,912**
Other	**58**	**163**	**6**	**(4)**	**223**
Total non-interest revenues	**10,508**	**6,602**	**1,667**	**(209)**	**18,568**
Interest income	**12,886**	**3,210**	**23**	**(217)**	**15,902**
Interest expense	**12,354**	**956**	**44**	**(232)**	**13,122**
Net interest	**532**	**2,254**	**(21)**	**15**	**2,780**
Net revenues	**11,040**	**8,856**	**1,646**	**(194)**	**21,348**
Provision for credit losses	**71**	**27**	**—**	**—**	**98**
Compensation and benefits[3]	**2,980**	**4,648**	**559**	**—**	**8,187**
Non-compensation expenses[3]	**3,727**	**1,484**	**683**	**(179)**	**5,715**
Total non-interest expenses	**6,707**	**6,132**	**1,242**	**(179)**	**13,902**
Income before provision for income taxes	**4,262**	**2,697**	**404**	**(15)**	**7,348**
Provision for income taxes	**999**	**600**	**99**	**(3)**	**1,695**
Income from continuing operations	**3,263**	**2,097**	**305**	**(12)**	**5,653**
Net income	**$3,263**	**$2,097**	**$ 305**	**$ (12)**	**$ 5,653**
Net income applicable to noncontrolling interests	**71**	**—**	**1**	**—**	**72**
Net income applicable to Morgan Stanley	**$3,192**	**$2,097**	**$ 304**	**$ (12)**	**$ 5,581**
Pre-tax margin[4]	**39 %**	**30 %**	**25 %**	**N/M**	**34 %**

$ in millions	Three Months Ended June 30, 2025 IS	WM	IM	I/E	Total
Investment banking	$1,540	$ 143	$ —	$ (39)	$ 1,644
Trading	4,350	433	(56)	18	4,745
Investments	156	25	207	—	388
Commissions and fees[1]	814	688	—	(77)	1,425
Asset management[1,2]	183	4,411	1,434	(75)	5,953
Other	135	154	5	(4)	290
Total non-interest revenues	7,178	5,854	1,590	(177)	14,445
Interest income	11,140	4,000	10	(245)	14,905
Interest expense	10,675	2,090	48	(255)	12,558
Net interest	465	1,910	(38)	10	2,347
Net revenues	7,643	7,764	1,552	(167)	16,792
Provision for credit losses	168	28	—	—	196
Compensation and benefits[3]	2,430	4,147	613	—	7,190
Non-compensation expenses[3]	2,934	1,389	616	(155)	4,784
Total non-interest expenses	5,364	5,536	1,229	(155)	11,974
Income before provision for income taxes	2,111	2,200	323	(12)	4,622
Provision for income taxes	472	500	77	(2)	1,047
Net income	$1,639	$1,700	$ 246	$ (10)	$ 3,575
Net income applicable to noncontrolling interests	35	—	1	—	36
Net income applicable to Morgan Stanley	$1,604	$1,700	$ 245	$ (10)	$ 3,539
Pre-tax margin[4]	28 %	28 %	21 %	N/M	28 %

$ in millions	IS	WM	IM	I/E	Total
	Six Months Ended June 30, 2026				
Investment banking	$4,553	$ 476	$ —	$ (89)	$ 4,940
Trading	13,248	222	(49)	32	13,453
Investments	78	44	250	—	372
Commissions and fees[1]	2,119	1,596	—	(192)	3,523
Asset management[1,2]	451	10,340	3,012	(161)	13,642
Other	240	273	9	(7)	515
Total non-interest revenues	20,689	12,951	3,222	(417)	36,445
Interest income	24,708	6,856	45	(434)	31,175
Interest expense	23,636	2,432	86	(462)	25,692
Net interest	1,072	4,424	(41)	28	5,483
Net revenues	21,761	17,375	3,181	(389)	41,928
Provision for credit losses	163	33	—	—	196
Compensation and benefits[3]	6,244	9,296	1,189	—	16,729
Non-compensation expenses[3]	6,931	2,758	1,308	(353)	10,644
Total non-interest expenses	13,175	12,054	2,497	(353)	27,373
Income before provision for income taxes	8,423	5,288	684	(36)	14,359
Provision for income taxes	1,795	1,144	137	(8)	3,068
Income from continuing operations	6,628	4,144	547	(28)	11,291
Net income	$6,628	$4,144	$ 547	$ (28)	$11,291
Net income applicable to noncontrolling interests	142	—	1	—	143
Net income applicable to Morgan Stanley	$6,486	$4,144	$ 546	$ (28)	$11,148
Pre-tax margin[4]	39 %	30 %	22 %	N/M	34 %

$ in millions	IS	WM	IM	I/E	Total
	Six Months Ended June 30, 2025				
Investment banking	$3,099	$ 333	$ —	$ (77)	$3,355
Trading	9,463	421	(63)	35	9,856
Investments	305	58	394	—	757
Commissions and fees[1]	1,683	1,383	—	(160)	2,906
Asset management[1,2]	374	8,807	2,885	(150)	11,916
Other	768	277	5	(9)	1,041
Total non-interest revenues	15,692	11,279	3,221	(361)	29,831
Interest income	21,213	7,959	33	(552)	28,653
Interest expense	20,279	4,147	100	(573)	23,953
Net interest	934	3,812	(67)	21	4,700
Net revenues	16,626	15,091	3,154	(340)	34,531
Provision for credit losses	259	72	—	—	331
Compensation and benefits[3]	5,284	8,146	1,281	—	14,711
Non-compensation expenses[3]	5,691	2,722	1,227	(317)	9,323
Total non-interest expenses	10,975	10,868	2,508	(317)	24,034
Income before provision for income taxes	5,392	4,151	646	(23)	10,166
Provision for income taxes	1,168	919	138	(5)	2,220
Net income	$4,224	$3,232	$ 508	$ (18)	$7,946
Net income applicable to noncontrolling interests	91	—	1	—	92
Net income applicable to Morgan Stanley	$4,133	$3,232	$ 507	$ (18)	$7,854
Pre-tax margin[4]	32 %	28 %	20 %	N/M	29 %

1. Substantially all revenues are from contracts with customers.
2. Includes certain fees that may relate to services performed in prior periods.
3. The significant expense categories and amounts align with the segment-level information that is regularly provided to the Firm's chief operating decision maker ("CODM").
4. Pre-tax margin represents income before provision for income taxes as a percentage of net revenues.

For a discussion about the Firm's business segments, see Note 22 to the financial statements in the 2025 Form 10-K.

Detail of Investment Banking Revenues

	Three Months Ended June 30,		Six Months Ended June 30,	
$ in millions	2026	2025	2026	2025
Institutional Securities Advisory	$ 798	$ 508	$ 1,776	$ 1,071
Institutional Securities Underwriting	1,639	1,032	2,777	2,028
Firm Investment banking revenues from contracts with customers	90 %	88 %	89 %	85 %

Trading Revenues by Product Type

	Three Months Ended June 30,		Six Months Ended June 30,	
$ in millions	2026	2025	2026	2025
Interest rate	$ 1,036	$ 1,036	$ 1,962	$ 2,409
Foreign exchange	587	556	1,260	1,184
Equity[1]	5,143	2,987	9,110	6,014
Commodity and other	360	546	1,471	870
Credit	(403)	(380)	(350)	(621)
Total	$ 6,723	$ 4,745	$ 13,453	$ 9,856

1. Dividend income is included within equity contracts.

The previous table summarizes realized and unrealized gains and losses primarily related to the Firm's Trading assets and liabilities, from derivative and non-derivative financial instruments, included in Trading revenues in the income statement. The Firm generally utilizes financial instruments across a variety of product types in connection with its market-making and related risk management strategies. The trading revenues presented in the table are not representative of the manner in which the Firm manages its business activities and are prepared in a manner similar to the presentation of trading revenues for regulatory reporting purposes.

Investment Management Investments Revenues—Net Cumulative Unrealized Carried Interest

$ in millions	At June 30, 2026	At December 31, 2025
Net cumulative unrealized performance-based fees at risk of reversing	$ 952	$ 926

The Firm's portion of net cumulative performance-based fees in the form of unrealized carried interest, for which the Firm is not obligated to pay compensation, is at risk of reversing when the returns in certain funds fall below specified performance targets. See Note 13 for information regarding general partner guarantees, which include potential obligations to return performance fee distributions previously received.

Investment Management Asset Management Revenues—Reduction of Fees Due to Fee Waivers

	Three Months Ended June 30,		Six Months Ended June 30,	
$ in millions	**2026**	2025	**2026**	2025
Fee waivers	**$ 36**	$ 30	**$ 70**	$ 56

The Firm waives a portion of its fees in the Investment Management business segment from certain registered money market funds that comply with the requirements of Rule 2a-7 of the Investment Company Act of 1940.

Certain Other Fee Waivers

Separately, the Firm's employees, including its senior officers, may participate on the same terms and conditions as other investors in certain funds that the Firm sponsors primarily for client investment, and the Firm may waive or lower applicable fees and charges for its employees.

Other Expenses—Transaction Taxes

	Three Months Ended June 30,		Six Months Ended June 30,	
$ in millions	**2026**	2025	**2026**	2025
Transaction taxes	**$ 703**	$ 303	**$ 1,220**	$ 569

Transaction taxes are composed of securities transaction taxes and stamp duties, which are levied on the sale or purchase of securities listed on recognized stock exchanges in certain markets. These taxes are imposed mainly on trades of equity securities in Asia and EMEA. Similar transaction taxes are levied on trades of listed derivative instruments in certain countries.

Net Revenues by Region

	Three Months Ended June 30,		Six Months Ended June 30,	
$ in millions	**2026**	2025	**2026**	2025
Americas	**$ 15,046**	$ 12,347	**$ 29,637**	$ 25,450
EMEA	**2,372**	2,142	**5,013**	4,433
Asia	**3,930**	2,303	**7,278**	4,648
Total	**$ 21,348**	$ 16,792	**$ 41,928**	$ 34,531

For a discussion about the Firm's geographic net revenues, see Note 22 to the financial statements in the 2025 Form 10-K.

Revenues Recognized from Prior Services

	Three Months Ended June 30,		Six Months Ended June 30,	
$ in millions	**2026**	2025	**2026**	2025
Non-interest revenues	**$ 770**	$ 516	**$ 1,533**	$ 1,061

The previous table includes revenues from contracts with customers recognized where some or all services were performed in prior periods. These revenues primarily include investment banking advisory fees.

Receivables from Contracts with Customers

$ in millions	**At June 30, 2026**	At December 31, 2025
Customer and other receivables	**$ 3,344**	$ 3,002

Receivables from contracts with customers, which are included within Customer and other receivables in the balance sheet, arise when the Firm has both recorded revenues and the right per the contract to bill the customer.

Assets by Business Segment

$ in millions	**At June 30, 2026**	At December 31, 2025
Institutional Securities[1]	**$ 1,317,904**	$ 969,553
Wealth Management[1]	**338,939**	433,017
Investment Management	**18,214**	17,700
Total[2]	**$ 1,675,057**	$ 1,420,270

1. In connection with MSBNA's acquisition of MSESE and the merging of the Fixed Income business of MSCS into MSBNA, the Firm updated its segment balance sheet allocation methodology in the first quarter of 2026. As a result of this update, certain assets which were previously included in the Wealth Management balance sheet are included within the Institutional Securities balance sheet beginning in the first quarter of 2026.
2. Parent assets have been fully allocated to the business segments.

Average Balances and Interest Rates and Net Interest Income

$ in millions	Three Months Ended June 30, 2026 Average Daily Balance	2026 Interest	2026 Annualized Average Rate	2025 Average Daily Balance	2025 Interest	2025 Annualized Average Rate
Interest earning assets						
Cash and cash equivalents:						
U.S.	**$ 69,331**	**$ 462**	**2.7 %**	$ 51,730	$ 414	3.2 %
Non-U.S.	**61,034**	**263**	**1.7 %**	43,469	213	2.0 %
Investment securities[1]	**156,515**	**1,272**	**3.3 %**	162,164	1,324	3.3 %
Loans[1]	**299,047**	**3,805**	**5.1 %**	252,572	3,461	5.5 %
Securities purchased under agreements to resell[2]:						
U.S.	**84,948**	**2,692**	**12.7 %**	73,064	2,548	14.0 %
Non-U.S.	**43,801**	**1,058**	**9.7 %**	48,337	1,232	10.2 %
Securities borrowed[3]:						
U.S.	**140,721**	**1,534**	**4.4 %**	123,010	2,102	6.9 %
Non-U.S.	**28,030**	**60**	**0.9 %**	21,096	71	1.3 %
Trading assets, net of Trading liabilities:						
U.S.	**149,313**	**1,670**	**4.5 %**	112,016	1,327	4.8 %
Non-U.S.	**39,286**	**338**	**3.5 %**	25,694	246	3.8 %
Customer receivables and Other:						
U.S.	**86,992**	**2,129**	**9.8 %**	57,236	1,450	10.2 %
Non-U.S.	**28,279**	**619**	**8.8 %**	17,562	517	11.8 %
Total	**$1,187,297**	**$15,902**	**5.4 %**	$987,950	$ 14,905	6.1 %
Interest bearing liabilities						
Deposits[1]	**$ 427,835**	**$ 2,699**	**2.5 %**	$375,348	$ 2,603	2.8 %
Borrowings[1,4]	**375,534**	**3,410**	**3.6 %**	304,670	3,199	4.2 %
Securities sold under agreements to repurchase[5,7]:						
U.S.	**47,178**	**2,349**	**20.0 %**	18,593	1,999	43.1 %
Non-U.S.	**60,750**	**1,224**	**8.1 %**	53,867	1,362	10.1 %
Securities loaned[6,7]:						
U.S.	**12,758**	**454**	**14.3 %**	10,506	964	36.8 %
Non-U.S.	**7,643**	**320**	**16.8 %**	7,317	234	12.8 %
Customer payables and Other:						
U.S.	**161,873**	**1,838**	**4.6 %**	135,153	1,441	4.3 %
Non-U.S.	**85,560**	**828**	**3.9 %**	62,115	756	4.9 %
Total	**$1,179,131**	**$13,122**	**4.5 %**	$967,569	$ 12,558	5.2 %
Net interest income and net interest rate spread		**$ 2,780**	**0.9 %**		$ 2,347	0.9 %

$ in millions	Six Months Ended June 30, 2026 Average Daily Balance	2026 Interest	2026 Annualized Average Rate	2025 Average Daily Balance	2025 Interest	2025 Annualized Average Rate
Interest earning assets						
Cash and cash equivalents:						
U.S.	**$ 67,698**	**$ 948**	**2.8 %**	$ 53,851	$ 861	3.2 %
Non-U.S.	**56,696**	**476**	**1.7 %**	42,976	425	2.0 %
Investment securities[1]	**160,221**	**2,615**	**3.3 %**	160,290	2,604	3.3 %
Loans[1]	**291,180**	**7,387**	**5.1 %**	247,258	6,786	5.5 %
Securities purchased under agreements to resell[2]:						
U.S.	**83,465**	**5,055**	**12.2 %**	69,721	4,761	13.8 %
Non-U.S.	**44,595**	**2,189**	**9.9 %**	45,058	2,435	10.9 %
Securities borrowed[3]:						
U.S.	**138,843**	**3,180**	**4.6 %**	118,500	3,150	5.4 %
Non-U.S.	**24,669**	**112**	**0.9 %**	18,425	139	1.5 %
Trading assets, net of Trading liabilities:						
U.S.	**152,458**	**3,329**	**4.4 %**	111,934	2,575	4.6 %
Non-U.S.	**35,108**	**613**	**3.5 %**	22,082	437	4.0 %
Customer receivables and Other:						
U.S.	**84,975**	**4,077**	**9.7 %**	59,087	3,456	11.8 %
Non-U.S.	**26,678**	**1,194**	**9.0 %**	17,000	1,024	12.1 %
Total	**$1,166,586**	**$31,175**	**5.4 %**	$966,182	$28,653	6.0 %
Interest bearing liabilities						
Deposits[1]	**$ 419,789**	**$ 5,256**	**2.5 %**	$373,039	$ 5,125	2.8 %
Borrowings[1,4]	**364,504**	**6,593**	**3.6 %**	293,779	6,217	4.3 %
Securities sold under agreements to repurchase[5,7]:						
U.S.	**56,714**	**4,703**	**16.7 %**	18,891	3,785	40.4 %
Non-U.S.	**66,307**	**2,485**	**7.6 %**	51,670	2,645	10.3 %
Securities loaned[6,7]:						
U.S.	**11,960**	**969**	**16.3 %**	10,307	993	19.4 %
Non-U.S.	**7,566**	**576**	**15.4 %**	6,680	461	13.9 %
Customer payables and Other:						
U.S.	**156,376**	**3,499**	**4.5 %**	127,172	3,217	5.1 %
Non-U.S.	**81,309**	**1,611**	**4.0 %**	60,266	1,510	5.1 %
Total	**$1,164,525**	**$25,692**	**4.4 %**	$941,804	$23,953	5.1 %
Net interest income and net interest rate spread		**$ 5,483**	**1.0 %**		$ 4,700	0.9 %

1. Amounts include primarily U.S. balances.
2. Includes interest paid on Securities purchased under agreements to resell.
3. Includes fees paid on Securities borrowed.
4. Average daily balance includes borrowings carried at fair value but, for certain borrowings, interest expense is considered part of fair value and is recorded in Trading revenues.
5. Includes interest received on Securities sold under agreements to repurchase.
6. Includes fees received on Securities loaned.
7. The annualized average rate was calculated using (a) interest expense incurred on all securities sold under agreements to repurchase and securities-loaned transactions, whether or not such transactions were reported in the balance sheet and (b) net average on-balance sheet balances, which exclude certain securities-for-securities transactions.

Glossary of Common Terms and Acronyms

2025 Form 10-K	Annual report on Form 10-K for year ended December 31, 2025 filed with the SEC
ABS	Asset-backed securities
ACL	Allowance for credit losses
AFS	Available-for-sale
AI	Artificial intelligence
AML	Anti-money laundering
AOCI	Accumulated other comprehensive income (loss)
AUM	Assets under management or supervision
Balance sheet	Consolidated balance sheet
BHC	Bank holding company
bps	Basis points; one basis point equals 1/100th of 1%
Cash flow statement	Consolidated cash flow statement
CCAR	Comprehensive Capital Analysis and Review
CCyB	Countercyclical capital buffer
CDO	Collateralized debt obligation(s), including Collateralized loan obligation(s)
CDS	Credit default swaps
CECL	Current Expected Credit Losses, as calculated under the Financial Instruments—Credit Losses accounting update
CET1	Common Equity Tier 1
CFTC	U.S. Commodity Futures Trading Commission
CLN	Credit-linked note(s)
CLO	Collateralized loan obligation(s)
CMBS	Commercial mortgage-backed securities
CMO	Collateralized mortgage obligation(s)
CRE	Commercial real estate
CRM	Credit Risk Management Department
CTA	Cumulative foreign currency translation adjustments
DCP	Employee deferred cash-based compensation plans linked to investment performance
DCP investments	Investments associated with certain DCP
DVA	Debt valuation adjustment
EBITDA	Earnings before interest, taxes, depreciation and amortization
EMEA	Europe, Middle East and Africa
EPS	Earnings per common share
FDIC	Federal Deposit Insurance Corporation
FFELP	Federal Family Education Loan Program
FHC	Financial holding company
FICO	Fair Isaac Corporation
Financial statements	Consolidated financial statements
FVO	Fair value option
G-SIB	Global systemically important bank
HFI	Held-for-investment
HFS	Held-for-sale
HQLA	High-quality liquid assets
HTM	Held-to-maturity
I/E	Intersegment eliminations
IM	Investment Management
Income statement	Consolidated income statement
IRS	Internal Revenue Service
IS	Institutional Securities
LCR	Liquidity coverage ratio, as adopted by the U.S. banking agencies
LTV	Loan-to-value
M&A	Merger, acquisition and restructuring transaction
MSBNA	Morgan Stanley Bank, N.A.
MS&Co.	Morgan Stanley & Co. LLC
MSCG	Morgan Stanley Capital Group Inc.
MSCS	Morgan Stanley Capital Services LLC
MSESE	Morgan Stanley Europe SE
MSIP	Morgan Stanley & Co. International plc
MSMS	Morgan Stanley MUFG Securities Co., Ltd.
MSPBNA	Morgan Stanley Private Bank, National Association
MSSB	Morgan Stanley Smith Barney LLC
MUFG	Mitsubishi UFJ Financial Group, Inc.
MUMSS	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
MWh	Megawatt hour
N/A	Not Applicable
N/M	Not Meaningful
NAV	Net asset value
Non-GAAP	Non-generally accepted accounting principles in the U.S.
NSFR	Net stable funding ratio, as adopted by the U.S. banking agencies
OCC	Office of the Comptroller of the Currency
OCI	Other comprehensive income (loss)
OTC	Over-the-counter
PSU	Performance-based stock unit
ROE	Return on average common equity
ROTCE	Return on average tangible common equity
ROU	Right-of-use
RSU	Restricted stock unit
RWA	Risk-weighted assets
SCB	Stress capital buffer
SEC	U.S. Securities and Exchange Commission
SLR	Supplementary leverage ratio
S&P	Standard & Poor's
SPE	Special purpose entity
SPOE	Single point of entry
TLAC	Total loss-absorbing capacity
U.K.	United Kingdom
UPB	Unpaid principal balance
U.S.	United States of America
U.S. Bank Subsidiaries	MSBNA and MSPBNA
U.S. GAAP	Accounting principles generally accepted in the U.S.
VaR	Value-at-Risk
VIE	Variable interest entity
WACC	Implied weighted average cost of capital
WM	Wealth Management

Controls and Procedures

Under the supervision and with the participation of the Firm's management, including the Chief Executive Officer and Chief Financial Officer, the Firm conducted an evaluation of the effectiveness of the Firm's disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act). Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Firm's disclosure controls and procedures were effective as of the end of the period covered by this report.

No change in the Firm's internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) occurred during the period covered by this report that materially affected, or is reasonably likely to materially affect, the Firm's internal control over financial reporting.

Legal Proceedings

See "Contingencies—Legal" in Note 13 to the Financial Statements for information about our material legal proceedings.

Risk Factors

For a discussion of the risk factors affecting the Firm, see "Risk Factors" in Part I, Item 1A of the 2025 Form 10-K.

Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

$ in millions, except per share data	Total Number of Shares Purchased[1]	Average Price Paid per Share[2]	Total Shares Purchased as Part of Share Repurchase Authorization[3,4]	Dollar Value of Remaining Authorized Repurchase
April	2,865,364	$ 182.02	2,007,100	$ 15,285
May	3,825,485	$ 193.80	3,803,795	$ 14,548
June	1,787,311	$ 214.98	1,778,513	$ 14,165
Three Months Ended June 30, 2026	**8,478,160**	**$ 194.28**	**7,589,408**	

1. Includes 888,752 shares acquired by the Firm in satisfaction of the tax withholding obligations on stock-based awards granted under the Firm's stock-based compensation plans during the three months ended June 30, 2026.
2. Excludes excise tax of $11 million levied on share repurchases, net of issuances, payable in April 2027.
3. Share purchases under publicly announced authorizations are made pursuant to open-market purchases, Rule 10b5-1 plans or privately negotiated transactions (including with employee benefit plans) as market conditions warrant and at prices the Firm deems appropriate and may be suspended at any time. As previously announced, on April 18, 2018, the Firm entered into a sales plan ("Plan") with MUFG and MS&Co., whereby MUFG sold shares of the Firm's common stock to the Firm, through its agent MS&Co., as part of the Share Repurchase Authorization (as defined below). The Plan was suspended on December 10, 2020 and recommenced effective July 15, 2026. The Plan is intended solely to maintain MUFG's ownership percentage below 24.9% in order to comply with MUFG's passivity commitments to the Federal Reserve and has no impact on the strategic alliance between MUFG and the Firm, including the joint venture in Japan.
4. On June 24, 2026, the Firm announced that its Board of Directors reauthorized a multi-year repurchase authorization of up to $20 billion of outstanding common stock (the "Share Repurchase Authorization"), without a set expiration date, beginning in the third quarter of 2026, which will be exercised from time to time as conditions warrant and is subject to limitations on distributions from the Federal Reserve. The Share Repurchase Authorization is for capital management purposes and considers, among other things, business segment capital needs, as well as equity-based compensation and benefit plan requirements. For further information, see "Liquidity and Capital Resources—Regulatory Requirements—Capital Plans, Stress Tests and the Stress Capital Buffer."

Other Information

None.

Exhibits

Exhibit No.	Description
15	Letter of awareness from Deloitte & Touche LLP, dated August 4, 2026, concerning unaudited interim financial information.
31.1	Rule 13a-14(a) Certification of Chief Executive Officer.
31.2	Rule 13a-14(a) Certification of Chief Financial Officer.
32.1	Section 1350 Certification of Chief Executive Officer.
32.2	Section 1350 Certification of Chief Financial Officer.
101	Interactive Data Files pursuant to Rule 405 of Regulation S-T formatted in Inline eXtensible Business Reporting Language ("Inline XBRL").
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101).

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.

MORGAN STANLEY
(Registrant)

By: /s/ SHARON YESHAYA

Sharon Yeshaya
Executive Vice President and
Chief Financial Officer

By: /s/ VICTORIA WORSTER

Victoria Worster
Chief Accounting Officer and Controller

Date: August 4, 2026