Morgan Stanley Private Bank, National Association

Unaudited Quarterly Report
For the quarterly period ended September 30, 2026

QUARTERLY REPORT **Morgan Stanley Private Bank, National Association**

For the quarter ended September 30, 2026

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This Quarterly Report is available at *www.morganstanley.com/about-us-ir/subsidiaries*. In addition, Morgan Stanley (the "Parent") and certain of our affiliated entities provide annual and periodic reports relating to their businesses and activities, which are available at *www.morganstanley.com/about-us-ir*. Information contained on such website is not part of, nor is it incorporated by reference into, this Quarterly Report.

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

Introduction

Morgan Stanley Private Bank, National Association, an indirect wholly owned subsidiary of the Parent, is a national bank that offers primarily residential mortgage lending, securities-based and other financing, and deposit products. Unless the context otherwise requires, the terms "Bank," "MSPBNA," "us," "we" and "our" mean Morgan Stanley Private Bank, National Association together with its consolidated subsidiaries, and "Morgan Stanley" and the "Firm" mean the Parent and its consolidated subsidiaries, including the Bank. See the "Glossary of Common Terms and Acronyms" for the definition of certain terms and acronyms used throughout this Quarterly Report.

A description of the business lines, investment portfolio, deposit taking and other activities is as follows:

The Bank's lending activities include lending to clients for specific purposes, such as residential mortgage lending and securities-based and other financing, primarily to customers and clients, of our affiliated retail broker-dealer, Morgan Stanley Smith Barney LLC ("MSSB").

The Bank's loan portfolio consists of the types of loans listed below.

Residential Real Estate. Residential real estate loans mainly include non-conforming loans and home equity lines of credit ("HELOC").

Securities-based lending and Other. Securities-based lending and Other includes loans that allow clients to borrow money against the value of qualifying securities, generally for any suitable purpose other than purchasing, trading, or carrying securities or refinancing margin debt. The majority of these loans are structured as revolving lines of credit. Other loans primarily include tailored loans, which typically consist of bespoke lending arrangements provided to ultra-high net worth clients. Securities-based lending and Other loans are generally secured by various types of eligible collateral, including marketable securities, private investments, investor commitments for capital calls, commercial real estate and other financial assets.

For a further discussion of our credit risks, see "Quantitative and Qualitative Disclosures about Risk—Credit Risk." For a further discussion about loans and lending commitments, see Note 3 to the financial statements in the 2025 Annual Report.

Other Activities. The Bank enters into derivative transactions with affiliated entities primarily for hedging purposes, and the derivative instruments used for hedging primarily include interest rate swaps. The Bank is not a net seller of credit protection. For further information about our derivative instruments, see Note 12 to the financial statements.

Investment Portfolio. The Bank maintains an investment portfolio to serve as a storehouse of liquidity to satisfy the Bank's current, projected, and contingent funding needs; to act as the primary means to manage the Bank's current and projected interest rate risk profile; and to produce interest income, while maintaining acceptable asset quality, diversification and risk profile. The investment portfolio consists of cash, investment securities, and securities held under repurchase agreements. Our investment securities consist primarily of U.S. Treasuries and agency mortgage-backed securities. For further information about our investment portfolio, see Note 5 to the financial statements.

Deposit Taking. We are one of Morgan Stanley's primary deposit-taking entities, along with our affiliated U.S. national bank, Morgan Stanley Bank, N.A. ("MSBNA"). Deposits are the primary source of funding for our assets. We offer deposit products directly to our retail customers, and we source deposits through clients of Morgan Stanley's Wealth Management business via affiliated entities, as well as through unaffiliated third parties, primarily through our Savings and Brokerage sweep programs.

We also issue time deposits in the form of brokered certificates of deposit ("CDs"), substantially all of which are in Federal Deposit Insurance Corporation ("FDIC")-insurable amounts and distributed by Morgan Stanley & Co. LLC ("MS&Co.") through MSSB and third-party broker-dealers. Most of our CDs carry a fixed rate, and we also issue certain CDs that are structured in nature (e.g., performance may be linked to the performance of certain market indices). Deposits are primarily interest bearing.

For further information about our deposits, including the sources and types of our deposits, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Balance Sheet—Deposits" and Note 9 to the financial statements.

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 Annual Report and "Liquidity and Capital Resources—Regulatory Requirements" herein.

Executive Summary

Overview of Financial Results

	Three Months Ended September 30,		
$ in millions	**2026**	2025	**% Change**
Interest income	**$ 2,771**	$ 2,535	**9 %**
Interest expense	**1,697**	1,547	**10 %**
Net interest	**1,074**	988	**9 %**
Non-interest revenues			
Fee income	**171**	128	**34 %**
Gains (losses) on financial assets and liabilities[1]	**2**	10	**(80)%**
Other	**6**	7	**(14)%**
Total non-interest revenues	**179**	145	**23 %**
Net revenues	**1,253**	1,133	**11 %**
Provision for credit losses	**5**	1	**400 %**
Non-interest expenses			
Compensation and benefits	**76**	79	**(4)%**
General and administrative	**193**	160	**21 %**
FDIC and regulatory assessments	**29**	25	**16 %**
Total non-interest expenses[2]	**298**	264	**13 %**
Income before provision for income taxes	**950**	868	**9 %**
Provision for income taxes	**225**	211	**7 %**
Net income	**$ 725**	$ 657	**10 %**

	Nine Months Ended September 30,		
$ in millions	**2026**	2025	**% Change**
Interest income	**$ 8,034**	$ 7,237	**11 %**
Interest expense	**4,746**	4,353	**9 %**
Net interest	**3,288**	2,884	**14 %**
Non-interest revenues			
Fee income	**486**	362	**34 %**
Gains (losses) on financial assets and liabilities[1]	**2**	23	**(91)%**
Other	**13**	26	**(50)%**
Total non-interest revenues	**501**	411	**22 %**
Net revenues	**3,789**	3,295	**15 %**
Provision for credit losses	**34**	72	**(53)%**
Non-interest expenses			
Compensation and benefits	**244**	248	**(2)%**
General and administrative	**612**	441	**39 %**
FDIC and regulatory assessments	**74**	91	**(19)%**
Total non-interest expenses[2]	**930**	780	**19 %**
Income before provision for income taxes	**2,825**	2,443	**16 %**
Provision for income taxes	**678**	602	**13 %**
Net income	**$ 2,147**	$ 1,841	**17 %**

1. Primarily includes net gains (losses) from trading assets and certain hedges.
2. Non-interest expenses are primarily influenced by levels of business activity, headcount and compensation. General and administrative expenses primarily include employment related costs of employees of affiliated entities pursuant to master service level agreements; the cost of specialized distribution, national sales and business management services; and service fees in connection with deposits sourced from clients of an affiliated entity, MSSB.

Net Income

Net Interest

Net interest revenue of $1,074 million in the quarter ended September 30, 2026 ("current quarter") and $3,288 million in the nine months ended September 30, 2026 ("current year period") increased by 9% and 14%, respectively, compared with the quarter ended September 30, 2025 ("prior year quarter") and the nine months ended September 30, 2025 ("prior year period"), primarily due to lending growth, partially offset by growth in borrowings.

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.

Non-interest Revenues

Non-interest revenues of $179 million in the current quarter and $501 million in the current year period increased by 23% and 22%, respectively, compared with the prior year periods, primarily due to higher revenue earned from an affiliated entity, MSSB, to compensate the Bank for relationship priced loans granted to their clients.

Provision for Credit Losses

The Provision for credit losses on loans and lending commitments of $5 million in the current quarter was primarily related to portfolio growth in residential real estate loans. The Provision for credit losses on loans and lending commitments of $1 million in the prior year quarter was primarily related to portfolio growth in residential real estate loans, partially offset by improvements in the macroeconomic outlook.

The Provision for credit losses on loans and lending commitments of $34 million in the current year period was primarily related to portfolio growth and provisions for certain specific loans in our tailored lending portfolio. 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, as well as portfolio growth in residential real estate loans.

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

Non-interest Expenses

Non-interest expenses of $298 million in the current quarter and $930 million in the current year period increased by 13% and 19%, respectively, compared with the prior year periods, primarily due to business growth, which drove general and administrative expenses.

Economic and Market Conditions

The environment in the third quarter of 2026 was characterized by strong levels of activity early in the quarter, supported by continuing the momentum observed in the second quarter, with markets focused on artificial intelligence ("AI") investment and

economic expansion. Activity moderated later in the quarter against a backdrop of renewed geopolitical tensions, higher interest rates and rising energy prices. Geopolitical risk, inflation, the rate of economic growth, the future path of monetary policy and the path of AI build-out and acceptance represent ongoing uncertainties which could continue to impact the capital markets and our businesses.

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 Annual Report.

Accounting Development Updates

The Financial Accounting Standards Board has issued certain accounting updates, which we have determined to be either not applicable or to not have a material impact on our financial condition or results of operations upon adoption.

Critical Accounting Estimates

Our financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("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 Annual Report and Note 2 to the financial statements), the allowance for credit losses ("ACL"), fair value of financial instruments 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 Annual Report.

Liquidity and Capital Resources

Our liquidity and capital policies are established and maintained by the Bank's senior management and Risk Committee ("Bank RC"), with oversight by the Bank's 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. The Bank's Treasury department, the Bank RC, the Bank's Asset/Liability Committee, and the Bank's other committees and control groups assist in evaluating, monitoring and managing the impact that the Bank's business activities have on the Bank's balance sheet, liquidity and capital structure. Liquidity and capital matters are reported regularly to the Board and the Risk Committee of the Board ("BRC").

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, product-specific thresholds, monitoring of product-specific usage versus key performance metrics and new business impact assessments.

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 requirements. We also monitor key metrics, including asset and liability size and capital usage.

Total Assets

$ in millions	At September 30, 2026	At December 31, 2025
Assets		
Cash and cash equivalents	**$ 14,190**	$ 29,713
Trading assets at fair value	**855**	991
Investment securities:		
Available for sale securities at fair value	**18,861**	20,188
Held-to-maturity securities at cost	**20,918**	22,366
Securities purchased under agreement to resell	**10,001**	4,000
Loans, before ACL:		
Residential real estate	**77,441**	72,408
Securities-based lending and Other	**112,542**	101,667
Total loans, before ACL	**189,983**	174,075
Allowance for credit losses	**(378)**	(355)
Total loans, net of ACL	**189,605**	173,720
Affordable housing tax credit investments	**583**	589
Other assets[1]	**3,613**	3,139
Total assets	**$ 258,626**	$ 254,706

1. Other assets primarily include customer and other receivables, deferred tax assets, goodwill, investments in the Federal Reserve Bank of New York ("FRB") and Federal Home Loan Bank of New York ("FHLB"), and loan to MSBNA.

Total assets increased to $259 billion at September 30, 2026, compared with $255 billion at December 31, 2025, primarily due to increases in Loans, as well as Securities purchased under agreement to resell, partially offset by a decrease in Cash and cash equivalents.

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 Bank'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 Annual Report.

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

Liquidity Resources

We maintain sufficient Liquidity Resources 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; 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 total high-quality liquid assets ("HQLA") values in the tables immediately following are different from Eligible HQLA, which, in accordance with the liquidity coverage ratio ("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	**September 30, 2026**	June 30, 2026
Cash deposits with central banks	**$ 15,031**	$ 9,368
Unencumbered HQLA securities[1]:		
U.S. government obligations	**16,854**	19,961
U.S. agency and agency mortgage-backed securities	**22,154**	22,249
Total HQLA	**$ 54,039**	$ 51,578
Cash deposits with banks (non-HQLA)	**5**	7
Total Liquidity Resources	**$ 54,044**	$ 51,585

1. HQLA is presented prior to applying weightings.

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

Regulatory Liquidity Framework

Liquidity Coverage Ratio and Net Stable Funding Ratio

We are required to maintain a minimum LCR and net stable funding ratio ("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 our liquidity risk profile. In determining Eligible HQLA for LCR purposes, weightings (or asset haircuts) are applied to HQLA.

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.

At September 30, 2026, we were compliant with the minimum LCR and NSFR requirements of 100%.

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 and investor) and attempt to ensure the tenor of our liabilities equals or exceeds the expected holding period of assets being financed. Our goal is to achieve an optimal mix of durable secured and unsecured financing.

We fund our balance sheet through diverse sources. These sources include our equity capital, deposits, bank notes and borrowings. We have active financing programs for both standard and structured products.

Unsecured Financing

We view deposits and borrowings as stable sources of funding. Our unsecured financings include deposits, bank notes, and loans from MSBNA and the Parent. As part of our asset/liability management strategy, when appropriate, we use derivatives to make adjustments to the interest rate risk profile of our borrowings. See Notes 9, 10, 11 and 12 to the financial statements.

Deposits

$ in millions	**At September 30, 2026**	At December 31, 2025
Savings and demand deposits:		
Brokerage sweep deposits	**$ 72,145**	$ 70,560
Savings and other[1]	**89,203**	108,012
Total savings and demand deposits	**161,348**	178,572
Time deposits[2]	**63,539**	44,024
Total[3]	**$ 224,887**	$ 222,596
Annualized weighted average cost of deposits[4]		
Period end	**2.64 %**	2.44 %
Period average for three months ended	**2.65 %**	2.57 %

1. Other primarily includes deposits from the Parent and affiliated entities, see Note 11 to the financial statements.
2. Includes Structured CDs at fair value of $3.6 billion at both September 30, 2026 and December 31, 2025.
3. Total deposits subject to FDIC insurance at September 30, 2026 and December 31, 2025 were $180.8 billion and $166.4 billion, respectively.
4. Annualized weighted average represents the total annualized weighted average cost of the various deposit products. The period end cost of deposits is based upon balances and rates at September 30, 2026 and December 31, 2025. The period average is based on daily balances and rates for the period.

Deposits are primarily sourced through clients of Morgan Stanley's Wealth Management business via affiliated entities, as well as unaffiliated third parties, 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 deposits and Brokerage sweep deposits, partially offset by a decrease in Savings and other, specifically deposits from the Parent and affiliated entities.

For further information on Deposits, see Note 9 to the financial statements.

Borrowings by Maturity at September 30, 2026[1]

$ in millions		Total
Original maturities of one year or less	$	1
Original maturities greater than one year		
2026		—
2027		27
2028		6,067
2029		—
2030		2,916
Thereafter		5,706
Total greater than one year	$	14,716
Total	$	14,717
Maturities over next 12 months	$	—

1. Original maturity in the table is generally based on contractual final maturity. For borrowings with put options, remaining maturity represents the earliest put date.

Borrowings of $14.7 billion at September 30, 2026 increased from $12.8 billion at December 31, 2025 primarily due to new issuances.

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 may repurchase our borrowings in the ordinary course of business.

We believe that accessing funding through multiple distribution channels helps provide consistent access to the funding markets. In addition, the issuance of time deposits and borrowings with longer dated contractual maturities allows us to manage the maturity profile of these instruments, mitigate liquidity risk and maximize diversification through institutional and retail clients.

For further information on Borrowings, see Note 10 to the financial statements.

Secured Financing

The Bank may execute secured financings with the FRB and FHLB as supplemental sources of funding. At both September 30, 2026 and December 31, 2025, the Bank did not have any outstanding secured financings from the FRB or FHLB.

For further information on the other secured financing, see Note 10 to the financial statements.

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.

Credit Ratings

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 over-the-counter ("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 Annual Report.

MSPBNA Issuer Ratings at November 6, 2026

	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**

S&P—Standard & Poor's

On May 12, 2026, Fitch Ratings, Inc. upgraded the issuer rating of MSPBNA's long-term debt from AA- to AA.

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 and regulatory requirements. In the future, we may expand or contract our capital base to address the changing needs of our businesses.

We are subject to various general regulatory policies and requirements relating to the payment of dividends, including requirements to maintain adequate capital above regulatory minimums. The Office of the Comptroller of the Currency ("OCC") is authorized to determine under certain circumstances relating to the financial condition of the Bank that the payment of dividends would be an unsafe or unsound practice and to prohibit payment thereof. Federal regulatory authorities have indicated that paying dividends that deplete a bank's capital base to an inadequate level would be an unsafe and unsound banking practice and that banking organizations should generally pay dividends only out of current operating earnings.

We may not declare a dividend if the total amount of all dividends, including the proposed dividend, declared by the Bank in any calendar year exceeds the total of the Bank's retained net income of that year to date, combined with its retained net income of the preceding two years, unless the dividend is approved by the OCC. Federal law also prohibits national banks from paying dividends that would be greater than the bank's undivided profits.

We complied with the aforementioned dividend restrictions for both the current and prior year.

There were no cash dividends paid during the current or prior year quarters. We paid cash dividends of $2.1 billion and $1.1 billion to the Parent in the current and prior year periods, respectively.

Regulatory Requirements

Regulatory Capital Framework

The OCC establishes capital requirements for us, including "well-capitalized" standards, and evaluates our compliance with such capital requirements. Regulatory capital requirements established by the OCC are largely based on the Basel III capital standards established by the Basel Committee and on certain provisions of the Dodd-Frank Act. Failure to meet minimum

capital requirements can initiate certain mandatory and discretionary actions by regulators that, if undertaken, could have a direct material effect on the Bank's financial statements. Under the Federal Deposit Insurance Corporation Improvement Act of 1991 ("FDICIA") capital adequacy guidelines and regulatory framework for prompt corrective action (the "PCA Framework"), the Bank must meet specific capital guidelines that involve quantitative measures of the Bank's assets, liabilities and certain off-balance sheet items as calculated under regulatory accounting practices. For additional information on our regulatory capital requirements, see Note 15 to the financial statements.

Regulatory Capital Requirements

We are required to maintain minimum risk-based and leverage-based capital. 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 Annual Report.

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 risk-weighted assets ("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 Requirement

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 to pay discretionary bonuses to executive officers. Our capital conservation buffer requirement computed under the standardized approaches for calculating credit risk and market risk RWA ("Standardized Approach") and computed under the applicable advanced approaches for calculating credit risk, market risk and operational risk RWA ("Advanced Approach") is equal to the sum of 2.5% and the countercyclical capital buffer ("CCyB"). The CCyB can be set up to 2.5% but is currently set by U.S. banking agencies at zero.

Risk-Based Regulatory Capital Ratio Requirements

		At September 30, 2026 and December 31, 2025	
	Regulatory Minimum	Standardized	Advanced
Required ratios[1]			
CET1 capital ratio	4.5 %	7.0 %	7.0 %
Tier 1 capital ratio	6.0 %	8.5 %	8.5 %
Total capital ratio	8.0 %	10.5 %	10.5 %

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 September 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 supplementary leverage ratio ("SLR") of 3% and an enhanced supplementary leverage ratio ("eSLR") of at least 0.5%. At January 1, 2026, the Firm and MSPBNA 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. global systemically important banks' ("G-SIBs") insured depository institutions ("IDI") subsidiaries equals 50% of each bank holding company's ("BHC") Method 1 G-SIB capital surcharge capped at 1.0%, which equates to 0.5% for MSPBNA, applied above the 3.0% minimum SLR requirement.

Well-Capitalized Requirements. FDICIA requires the federal bank regulatory agencies to take PCA in respect of IDIs that do not meet specified capital requirements. FDICIA establishes five capital categories for FDIC-insured banks: well-capitalized, adequately capitalized, undercapitalized, significantly undercapitalized and critically undercapitalized.

In addition, under the PCA Framework applicable to us, we must also meet the quantitative capital ratio requirements for a well-capitalized IDI; these are shown in the table below.

Our capital levels and PCA classification are also subject to qualitative judgements by the regulators about components of capital, risk weightings and other factors. Failure to comply with the capital requirements, including a breach of the buffers described above, would result in restrictions being imposed by our regulators.

Regulatory Capital Ratios

Risk-based capital

$ in millions	Standardized		Advanced	
	At September 30, 2026	At December 31, 2025	**At September 30, 2026**	At December 31, 2025
Risk-based capital				
CET1 capital	**$ 17,238**	$ 17,298	**$ 17,238**	$ 17,298
Tier 1 capital	**17,238**	17,298	**17,238**	17,298
Total capital	**17,631**	17,665	**17,405**	17,464
Total RWA	**65,839**	66,375	**36,259**	34,019
Risk-based capital ratios				
CET1 capital	**26.2%**	26.1%	**47.5%**	50.8%
Tier 1 capital	**26.2%**	26.1%	**47.5%**	50.8%
Total capital	**26.8%**	26.6%	**48.0%**	51.3%
Well-Capitalized Requirements[1]				
CET1 capital	**6.5%**	6.5%	**6.5%**	6.5%
Tier 1 capital	**8.0%**	8.0%	**8.0%**	8.0%
Total capital	**10.0%**	10.0%	**10.0%**	10.0%
Required Ratios[2]				
CET1 capital	**7.0%**	7.0%	**7.0%**	7.0%
Tier 1 capital	**8.5%**	8.5%	**8.5%**	8.5%
Total capital	**10.5%**	10.5%	**10.5%**	10.5%

Leveraged-based capital

$ in millions	**At September 30, 2026**	At December 31, 2025
Leveraged-based capital		
Adjusted average assets[3]	**$ 258,754**	$ 247,543
Supplementary leverage exposure[4]	**265,942**	254,197
Leveraged-based capital ratios		
Tier 1 leverage	**6.7%**	7.0%
SLR[5]	**6.5%**	6.8%
Well-Capitalized Requirements[1]		
Tier 1 leverage	**5.0%**	5.0%
SLR[5]	**N/A**	6.0%
Required Ratios[2]		
Tier 1 leverage	**4.0%**	4.0%
SLR[5]	**3.5%**	3.0%

1. The requirements to remain "well-capitalized" under the PCA framework.
2. Required ratios are inclusive of any buffers applicable at the date presented.
3. 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 goodwill, intangible assets, and other capital deductions.
4. Supplementary leverage exposure is the sum of Adjusted average assets used in the Tier 1 leverage ratio and other adjustments, primarily: (i) the credit equivalent amount for off-balance sheet exposures and (ii) for derivatives, potential future exposure.
5. Beginning January 1, 2026, the Bank was subject to a 3.5% SLR standard (inclusive of a 0.5% eSLR buffer based on the BHC's Method 1 G-SIBs capital surcharge of 1.0%). The eSLR buffer applicable to U.S. G-SIBs' IDI 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. In addition, beginning January 1, 2026, the Bank was no longer subject to an SLR requirement to be considered "well-capitalized" under the PCA framework.

Regulatory Capital

$ in millions	**At September 30, 2026**	At December 31, 2025	**Change**
CET1 Capital			
Common shareholder equity	**$ 17,385**	$ 17,721	**$ (336)**
Regulatory adjustments and deductions			
Other adjustments and deductions[1]	**(147)**	(423)	**276**
Total CET1 capital and Total Tier 1 capital	**$ 17,238**	$ 17,298	**$ (60)**
Standardized Tier 2 capital			
Eligible ACL	**$ 393**	$ 367	**$ 26**
Total Standardized capital	**$ 17,631**	$ 17,665	**$ (34)**
Advanced Tier 2 capital			
Eligible credit reserves	**$ 167**	$ 166	**$ 1**
Total Advanced capital	**$ 17,405**	$ 17,464	**$ (59)**

1. Other adjustments and deductions used in the calculation of CET1 capital primarily include goodwill, net after-tax losses on cash flow hedges, net after-tax debt valuation adjustment, and intangible assets.

RWA Rollforward

$ in millions	**Nine Months Ended September 30, 2026** Standardized	Advanced
Credit risk RWA		
Balance at December 31, 2025	$ 66,376	$ 27,769
Change related to the following items		
Derivatives	**(146)**	**(51)**
Investment securities	**(322)**	**(609)**
Commitments, guarantees and loans	**(460)**	**1,279**
Equity investments	**(110)**	**(118)**
Other credit risk	**501**	**(286)**
Total change in credit risk RWA	**$ (537)**	**$ 215**
Balance at September 30, 2026	**$ 65,839**	**$ 27,984**
Operational risk RWA		
Balance at December 31, 2025	N/A	$ 6,250
Change in operational risk RWA	**—**	**2,025**
Balance at September 30, 2026	**N/A**	**$ 8,275**
Total RWA	**$ 65,839**	**$ 36,259**

In the current year period, Credit risk RWA decreased under the Standardized and increased under the Advanced Approaches. Under the Standardized Approach, the decrease was primarily due to decreased exposure in lending, Investment securities and Derivatives, partially offset by an increased exposure in Other credit risk. Under the Advanced Approach, the increase was primarily due to growth in lending, partially offset by a decreased exposure in Investment securities and Other credit risk.

The increase in Operational risk RWA in the current year period is primarily due to the adoption of the Operational Risk Advanced Measurement Approaches Capital model.

Capital Plans and Stress Tests

Our capital planning process and stress tests are designed to identify and measure material risks associated with our business activities, including market risk, credit risk and operational risk. Our capital planning process incorporates an internal capital

adequacy assessment to ensure that we are appropriately capitalized relative to the risks in our businesses. Our stress tests incorporate our internally developed severely adverse scenario and are designed to capture our specific vulnerabilities and risks. During 2026, as an IDI with less than $250 billion of average total assets over the four most recent consecutive quarters through March 31, 2025, MSPBNA is not subject to company-run stress test regulatory requirements by the OCC.

Resolution and Recovery Planning

Morgan Stanley submitted its 2025 targeted resolution plan on June 30, 2025 and the next full plan will be submitted in June 2027. In May 2026, Morgan Stanley received joint feedback on the 2025 targeted resolution plan from the agencies, with no shortcomings or deficiencies identified. We are also required to submit an IDI resolution plan to the FDIC. We submitted our last IDI resolution plan in December 2023. We submitted an interim supplement to our IDI resolution plan on June 26, 2026.

For more information about resolution planning requirements and our activities in these areas, including the implications of such activities in a resolution scenario, see “Business—Supervision and Regulation—Resolution Planning” and “Risk Factors—Legal, Regulatory and Compliance Risk” in the 2025 Annual Report.

Regulatory Developments and Other Matters

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 the Bank (“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 effective date of the Basel III Proposal is unspecified in the Basel III Proposal. We continue to evaluate the Basel III Proposal.

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 Risk Governance Framework and risk management functions, see "Quantitative and Qualitative Disclosures about Risk—Risk Management" in the 2025 Annual Report.

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 individuals.

For a further discussion of our credit risks, see "Quantitative and Qualitative Disclosures about Risk—Credit Risk" in the 2025 Annual Report.

Loans and Lending Commitments

	At September 30, 2026		
$ in millions	HFI	HFS	Total
Residential real estate	**$ 77,436**	**$ 5**	**$ 77,441**
Securities-based lending and Other[1]	**112,542**	**—**	**112,542**
Total loans	**189,978**	**5**	**189,983**
ACL	**(378)**	**—**	**(378)**
Total loans, net of ACL	**$ 189,600**	**$ 5**	**$ 189,605**
Lending Commitments[2]			**$ 20,247**
Total exposure			**$ 209,852**

	At December 31, 2025		
$ in millions	HFI	HFS	Total
Residential real estate	$ 72,403	$ 5	$ 72,408
Securities-based lending and Other[1]	101,667	—	101,667
Total loans	174,070	5	174,075
ACL	(355)	—	(355)
Total loans, net of ACL	$ 173,715	$ 5	$ 173,720
Lending Commitments[2]			$ 17,504
Total exposure			$ 191,224

HFI—Held-for-investment
HFS—Held-for-sale
Total exposure-consists of Total loans, net of ACL, and Lending commitments

1. Other loans primarily include tailored loans.
2. 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 high to ultra-high net worth individuals. Loans and lending commitments are either HFI or HFS. For more information on these loan classifications, see Note 2 to the financial statements in the 2025 Annual Report.

Total loans and lending commitments increased by approximately $18.6 billion since December 31, 2025, primarily due to growth in securities-based loans.

See Notes 3, 6 and 13 to the financial statements for further information.

Allowance for Credit Losses–Loans and Lending Commitments

$ in millions	Three Months Ended September 30, 2026	Nine Months Ended September 30, 2026
ACL—Loans		
Beginning balance	$ 377	$ 355
Gross charge-offs	**(1)**	**(11)**
Net (charge-offs) recoveries	**(1)**	**(11)**
Provision for credit losses	**2**	**34**
Ending balance	**$ 378**	**$ 378**
ACL—Lending commitments		
Beginning balance	$ 9	$ 12
Provision for credit losses	**3**	**—**
Ending balance	**$ 12**	**$ 12**
Total ending balance	**$ 390**	**$ 390**

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, loan-to-value ("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 portfolio growth and provisions for certain specific loans in our tailored lending portfolio.

The base scenario used in our ACL models at September 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 gross domestic product ("GDP") growth rate with the base scenario for the current quarter incorporating expectations of continued economic growth and higher interest rates relative to 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. See Note 2 to the financial statements in the 2025 Annual Report.

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

	4Q 2026	4Q 2027
Year-over-year growth rate	**2.0 %**	**2.2 %**

At September 30, 2026 and December 31, 2025, more than 75% of Residential real estate loans were to borrowers with "Exceptional" or "Very Good" Fair Isaac Corporation ("FICO") scores (i.e., exceeding 740). Additionally, our 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.

See Note 3 to the financial statements for further information.

Other key macroeconomic variables used in our ACL models include house price indices, interest rates, commercial real estate indices and corporate credit spreads. See Note 2 to the financial statements in the 2025 Annual Report for a discussion of the Bank's ACL methodology under Current Expected Credit Losses ("CECL").

Status of Loans Held for Investment

	At September 30, 2026	At December 31, 2025
Accrual	**99.8 %**	99.8 %
Nonaccrual[1]	**0.2 %**	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. For further information on our nonaccrual policy, see Note 2 to the financial statements in the 2025 Annual Report.

Net Charge-off Ratios for Loans Held for Investment

	Three Months Ended September 30,			
	2026		2025	
$ in millions	Net charge-offs ratio[1]	Average Loans	Net charge-offs ratio[1]	Average Loans
Residential Real Estate	**— %**	**$ 76,451**	— %	$ 69,967
Securities-based lending and Other	**— %**	**109,688**	— %	88,895
Total	**— %**	**$ 186,139**	— %	$ 158,862

	Nine Months Ended September 30,			
	2026		2025	
$ in millions	Net charge-offs ratio[1]	Average Loans	Net charge-offs ratio[1]	Average Loans
Residential Real Estate	**— %**	**$ 74,573**	— %	$ 68,457
Securities-based lending and Other	**0.01 %**	**105,273**	0.02 %	85,209
Total	**0.01 %**	**$ 179,846**	0.01 %	$ 153,666

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

Loans and Lending Commitments

	At September 30, 2026				
	Contractual Years to Maturity				
$ in millions	<1	1-5	5-15	>15	Total
Securities-based lending and Other	**$ 105,562**	**$ 6,094**	**$ 652**	**$ —**	**$ 112,308**
Residential real estate loans	**2**	**117**	**971**	**76,207**	**77,297**
Total loans, net of ACL	**$ 105,564**	**$ 6,211**	**$ 1,623**	**$ 76,207**	**$ 189,605**
Lending commitments	**18,086**	**1,662**	**15**	**484**	**20,247**
Total exposure	**$ 123,650**	**$ 7,873**	**$ 1,638**	**$ 76,691**	**$ 209,852**

	At December 31, 2025				
	Contractual Years to Maturity				
$ in millions	<1	1-5	5-15	>15	Total
Securities-based lending and Other	$ 90,147	$ 10,651	$ 641	$ —	$ 101,439
Residential real estate loans	1	116	989	71,175	72,281
Total loans, net of ACL	$ 90,148	$ 10,767	$ 1,630	$ 71,175	$ 173,720
Lending commitments	14,830	2,209	41	424	17,504
Total exposure	$ 104,978	$ 12,976	$ 1,671	$ 71,599	$ 191,224

The principal lending activities of the Bank include Residential real estate loans and Securities-based lending.

Securities-based lending allows clients to borrow money against the value of qualifying securities, generally for any purpose other than purchasing, trading or carrying securities or refinancing margin debt. We establish approved credit lines against qualifying securities and monitor limits daily and, pursuant to such guidelines, require customers to deposit additional collateral, or reduce debt positions, when necessary. These credit lines are primarily uncommitted loan facilities, as we reserve the right not to make any advances or may terminate these credit lines at any time. Factors considered in the review of these loans include, but are not limited to, the loan amount, the client's credit profile, the degree of leverage, collateral diversification, price volatility and liquidity of the collateral. Other loans primarily include tailored loans, which typically consist of bespoke lending arrangements provided to ultra-high net worth clients. Securities-based lending and Other loans are generally secured by various types of eligible collateral, including marketable securities, private investments, investor commitments for capital calls, commercial real estate and other financial assets.

Residential real estate loans consist of first- and second-lien mortgages, including HELOCs. Our underwriting policy is designed to ensure that all borrowers pass an assessment of capacity and willingness to pay, which includes an analysis utilizing industry standard credit scoring models (e.g., FICO scores), debt-to-income ratios and assets of the borrower. Mortgage borrowers are required to maintain adequate insurance in accordance with loan terms. LTV ratios are determined based on independent third-party property appraisals and valuations, and security lien positions are established through title and ownership reports. The vast majority of mortgage loans, including HELOCs, are held for investment.

Commercial Real Estate Loans and Lending Commitments by Property Type

	At September 30, 2026			At December 31, 2025		
$ in millions	Loans[1]	LC[1]	Total	Loans[1]	LC[1]	Total
Retail	**$ 2,193**	**$ —**	**$ 2,193**	$ 2,286	$ —	$ 2,286
Office	**2,127**	**1**	**2,128**	2,087	1	2,088
Multifamily	**1,434**	**4**	**1,438**	1,464	75	1,539
Hotel	**352**	**—**	**352**	385	—	385
Industrial	**329**	**—**	**329**	356	—	356
Other	**288**	**—**	**288**	311	—	311
Total	**$ 6,723**	**$ 5**	**$ 6,728**	$ 6,889	$ 76	$ 6,965

LC—Lending Commitments

1. Amounts include HFI, HFS loans and lending commitments. HFI loans are net of ACL.

At September 30, 2026 and December 31, 2025, our direct lending against Commercial real estate ("CRE") properties totaled $6.7 billion and $7.0 billion, respectively. This represented 3.2% and 3.6% of total exposure reflected in the Loans and Lending Commitments table above at September 30, 2026 and December 31, 2025, respectively, 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 September 30, 2026 and December 31, 2025, greater than 95% of the CRE loans balance received guarantees. All of our lending against CRE properties are in the Americas.

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.

The Bank's principal market risk is non-trading interest rate risk in the banking book (amounts classified for regulatory capital purposes under the banking book regime), which refers to the exposure that a change in interest rates will result in prospective earnings and fair value changes for these assets and liabilities. For a further discussion of market risk, see "Quantitative and Qualitative Disclosures about Risk—Market Risk" in the 2025 Annual Report.

Beginning in the fourth quarter of 2023, we started reporting our interest rate risk sensitivities using the Earnings-at-Risk ("EaR") metric. EaR measures the estimated impact of changes in interest rates to our earnings for all positions within our consolidated balance sheet over a defined time horizon.

Earnings-At-Risk Sensitivity Analysis

$ in millions	**At September 30, 2026**	At June 30, 2026
Basis point change		
+200	**$ (81)**	$ (61)
+100	**(36)**	(30)
-100	**28**	(8)
-200	**2**	(111)

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 earnings over the next 12 months for the Bank. These shocks are applied to our 12-month forecast for the Bank, 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 earnings in the Bank 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 balance sheet is neutrally positioned, given assets and liabilities reprice at a similar pace, resulting in a stable earnings profile in both higher and lower interest rate scenarios. The level of interest rates may impact the amount of deposits held at the Bank, 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. EaR sensitivity at September 30, 2026 increased from June 30, 2026 primarily driven by the effects of changes in the balance sheet mix and higher interest rates.

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, regulatory 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., information technology and trade processing). For a further discussion about our operational risk, see "Quantitative and Qualitative Disclosures about Risk—Operational Risk" in the 2025 Annual Report.

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 Bank'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 Annual Report.

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, a reduction in deposit balances, 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 Annual Report 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 Bank Secrecy Act ("BSA")/Anti-Money Laundering ("AML") and Office of Foreign Assets Control ("OFAC") rules and requirements, 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 Annual Report.

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 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 Annual Report.



Deloitte & Touche LLP
30 Rockefeller Plaza
New York, NY 10112-0015
USA

Tel: +1 212-492-4000
Fax: +1 212-489-1687
www.deloitte.com

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Board of Directors and Shareholder of
Morgan Stanley Private Bank, National Association

Results of Review of Interim Financial Information

We have reviewed the accompanying condensed consolidated balance sheet of Morgan Stanley Private Bank, National Association and subsidiaries (the "Bank") as of September 30, 2026, and the related condensed consolidated income statements, comprehensive income statements, statements of changes in shareholder's equity for the three-month and nine-month periods ended September 30, 2026 and 2025, and cash flow statements for the nine-month periods ended September 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 accordance with accounting principles generally accepted in the United States of America.

Basis for Review Results

We conducted our reviews in accordance with auditing standards generally accepted in the United States of America (GAAS) applicable to reviews of interim financial information. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. A review of interim financial information is substantially less in scope than an audit conducted in accordance with GAAS, the objective of which is an expression of an opinion regarding the financial information as a whole, and accordingly, we do not express such an opinion. We are required to be independent of the Bank and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our review. We believe that the results of the review procedures provide a reasonable basis for our conclusion.

Responsibilities of Management for the Interim Financial Information

Management is responsible for the preparation and fair presentation of the interim financial information in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of interim financial information that is free from material misstatement, whether due to fraud or error.

Report on Condensed Balance Sheet as of December 31, 2025

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet as of December 31, 2025, and the related consolidated income statement, comprehensive income statement, statement of changes in shareholder's equity, and cash flow statement for the year then ended (not presented herein); and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated March 16, 2026. In our opinion, the accompanying condensed consolidated balance sheet of the Bank as of December 31, 2025, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Deloitte & Touche LLP

November 11, 2026

Consolidated Income Statement (Unaudited)

Morgan Stanley Private Bank, National Association

	Three Months Ended September 30,		Nine Months Ended September 30,	
$ in millions	**2026**	2025	**2026**	2025
Revenues				
Interest income	**$ 2,771**	$ 2,535	**$ 8,034**	$ 7,237
Interest expense	**1,697**	1,547	**4,746**	4,353
Net interest	**1,074**	988	**3,288**	2,884
Non-interest revenues				
Fee income	**171**	128	**486**	362
Gains (losses) on financial assets and liabilities	**2**	10	**2**	23
Other	**6**	7	**13**	26
Total non-interest revenues	**179**	145	**501**	411
Net revenues	**1,253**	1,133	**3,789**	3,295
Provision for credit losses	**5**	1	**34**	72
Non-interest expenses				
Compensation and benefits	**76**	79	**244**	248
General and administrative	**193**	160	**612**	441
FDIC and regulatory assessments	**29**	25	**74**	91
Total non-interest expenses	**298**	264	**930**	780
Income before provision for income taxes	**950**	868	**2,825**	2,443
Provision for income taxes	**225**	211	**678**	602
Net income	**$ 725**	$ 657	**$ 2,147**	$ 1,841

Consolidated Comprehensive Income Statement (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
$ in millions	**2026**	2025	**2026**	2025
Net income	**$ 725**	$ 657	**$ 2,147**	$ 1,841
Other comprehensive income (loss), net of tax:				
Change in net unrealized gains (losses) on available-for-sale securities	**(131)**	74	**(116)**	184
Change in net debt valuation adjustment	**(16)**	(8)	**(15)**	9
Net change in cash flow hedges	**(142)**	2	**(252)**	2
Total other comprehensive income (loss)[1,2]	**$ (289)**	$ 68	**$ (383)**	$ 195
Comprehensive income	**$ 436**	$ 725	**$ 1,764**	$ 2,036

1. Amounts were net of (provision) benefit for income taxes of $93 million and $(22) million for the current and prior year quarters, respectively.
2. Amounts were net of (provision) benefit for income taxes of $121 million and $(62) million for the current and prior year periods, respectively.

Consolidated Balance Sheet (Unaudited)

Morgan Stanley Private Bank, National Association

$ in millions	(Unaudited) At **September 30, 2026**	At December 31, 2025
Assets		
Cash and cash equivalents	**$ 14,190**	$ 29,713
Trading assets at fair value	**855**	991
Investment securities:		
Available-for-sale at fair value (amortized cost of **$19,458** and $20,634)	**18,861**	20,188
Held-to-maturity (fair value of **$15,827** and $18,199)	**20,918**	22,366
Securities purchased under agreement to resell	**10,001**	4,000
Loans:		
Held for investment (net of allowance for credit losses of **$378** and $355)	**189,600**	173,715
Held for sale	**5**	5
Loans to affiliate	**301**	312
Accrued interest receivable	**1,096**	977
Affordable housing tax credit investments	**583**	589
Deferred taxes	**443**	323
Goodwill	**430**	430
Other assets	**1,343**	1,097
Total assets	**$ 258,626**	$ 254,706
Liabilities		
Deposits (includes **$3,564** and $3,617 at fair value)	**$ 224,887**	$ 222,596
Accrued interest payable	**755**	658
Other liabilities and accrued expenses	**882**	981
Borrowings	**14,717**	12,750
Total liabilities	**241,241**	236,985
Commitments and contingent liabilities (see Note 13)		
Shareholder's equity		
Common stock, $1 par value:		
Shares authorized, issued and outstanding: 2,000	**—**	—
Additional paid-in capital	**12,144**	12,144
Retained earnings	**5,979**	5,932
Accumulated other comprehensive income (loss)	**(738)**	(355)
Total shareholder's equity	**17,385**	17,721
Total liabilities and shareholder's equity	**$ 258,626**	$ 254,706

Consolidated Statement of Changes in Shareholder's Equity (Unaudited)

Morgan Stanley Private Bank, National Association

$ in millions	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	**2026**	2025
Common stock				
Beginning and ending balance	**$ —**	$ —	**$ —**	$ —
Additional paid-in capital				
Beginning and ending balance	12,144	12,144	12,144	12,144
Retained earnings				
Beginning balance	5,254	5,634	5,932	5,536
Net income	**725**	657	**2,147**	1,841
Dividends to Parent	**—**	—	**(2,100)**	(1,086)
Ending balance	**5,979**	6,291	**5,979**	6,291
Accumulated other comprehensive income (loss)				
Beginning balance	(449)	(469)	(355)	(596)
Net change in Accumulated other comprehensive income (loss)[1,2]	**(289)**	68	**(383)**	195
Ending balance	**(738)**	(401)	**(738)**	(401)
Total shareholder's equity	**$ 17,385**	$ 18,034	**$ 17,385**	$ 18,034

1. Amounts were net of (provision) benefit for income taxes of $93 million and $(22) million for the current and prior year quarters, respectively.
2. Amounts were net of (provision) benefit for income taxes of $121 million and $(62) million for the current and prior year periods, respectively.

Consolidated Cash Flow Statement (Unaudited)

Morgan Stanley Private Bank, National Association

$ in millions	Nine Months Ended September 30, 2026	2025
Cash flows from operating activities		
Net income	**$ 2,147**	$ 1,841
Adjustments to reconcile net income to net cash provided by (used for) operating activities:		
Depreciation and amortization	**177**	148
Provision for credit losses	**34**	72
Deferred income taxes	**1**	(3)
Other operating adjustments	**(817)**	132
Changes in assets and liabilities:		
Loans held for sale	**—**	(5)
Trading assets, net of Trading liabilities	**3**	(232)
Net receivable from affiliates	**(120)**	213
Other liabilities and accrued expenses	**165**	23
Other assets	**(401)**	(162)
Net cash provided by (used for) operating activities	**1,189**	2,027
Cash flows from investing activities		
Proceeds from (payments for):		
AFS securities:		
Purchases	**(3,794)**	(7,489)
Proceeds from sales	**522**	74
Proceeds from paydowns and maturities	**4,233**	4,602
HTM securities:		
Proceeds from paydowns and maturities	**1,420**	1,377
Securities purchased under agreement to resell	**(6,001)**	(1,658)
Changes in loans held for investment, net	**(15,912)**	(14,473)
Other investing activities	**(76)**	(27)
Net cash provided by (used for) investing activities	**(19,608)**	(17,594)
Cash flows from financing activities		
Net proceeds from (payments for):		
Deposits	**2,627**	14,464
Other secured financing	**—**	(2,865)
Proceeds from issuance of Borrowings	**2,993**	6,095
Payments for:		
Borrowings	**(623)**	—
Cash dividends	**(2,100)**	(1,086)
Net cash provided by (used for) financing activities	**2,897**	16,608
Effect of exchange rate changes on cash and cash equivalents	**(1)**	20
Net increase (decrease) in cash and cash equivalents	**(15,523)**	1,061
Cash and cash equivalents, at beginning of period	**29,713**	24,406
Cash and cash equivalents, at end of period	**$ 14,190**	$ 25,467
Supplemental Disclosures of Cash Flow Information		
Cash payments for:		
Interest	**$ 4,649**	$ 4,239
Income taxes	**683**	496

Notes to Consolidated Financial Statements (Unaudited)

1. Introduction and Basis of Presentation

The Bank

Morgan Stanley Private Bank, National Association ("MSPBNA") is a national bank and a wholly owned subsidiary of Morgan Stanley Capital Management LLC, which is a direct wholly owned subsidiary of Morgan Stanley. The Bank is regulated by the Office of the Comptroller of the Currency ("OCC") and its qualifying deposits are insured by the Federal Deposit Insurance Corporation ("FDIC"). Unless the context otherwise requires, the term the "Bank" means Morgan Stanley Private Bank, National Association. See the "Glossary of Common Terms and Acronyms" for the definition of certain terms and acronyms used throughout this Quarterly Report.

The Bank's lending activities include lending to clients for specific purposes, such as residential mortgage lending and securities-based and other financing, primarily to customers and clients, of our affiliated retail broker-dealer, Morgan Stanley Smith Barney LLC ("MSSB").

The Bank accepts deposits, including money market deposits, demand deposits, and issues certificates of deposit ("CDs") that are principally used to fund lending activities and invest in securities.

Basis of Financial Information

The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires the Bank to make estimates and assumptions regarding the valuations of certain financial instruments, allowance for credit losses ("ACL"), compensation, deferred tax assets, goodwill, the outcome of legal and tax matters, and other matters that affect the financial statements and related disclosures. The Bank believes that the estimates utilized in the preparation of the financial statements are prudent and reasonable. Actual results could differ materially from these estimates.

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

The accompanying financial statements should be read in conjunction with the Bank's financial statements and notes thereto included in the 2025 Annual Report. Certain footnote disclosures included in the 2025 Annual Report 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.

Morgan Stanley Private Bank, National Association

Consolidation

The financial statements include the accounts of the Bank and its wholly owned subsidiaries. Intercompany balances and transactions have been eliminated.

2. Significant Accounting Policies

For a detailed discussion about the Bank'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 Annual Report.

During the nine months ended September 30, 2026, there were no significant updates to the Bank's significant accounting policies.

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

Loans by Type

	At September 30, 2026		
$ in millions	HFI Loans	HFS Loans	Total Loans
Residential real estate	**$ 77,436**	**$ 5**	**$ 77,441**
Securities-based lending and Other[1]	**112,542**	**—**	**112,542**
Total loans	**189,978**	**5**	**189,983**
ACL	**(378)**	**—**	**(378)**
Total loans, net	**$ 189,600**	**$ 5**	**$ 189,605**
Loans to non-U.S. borrowers, net	**$ 6,664**	**$ —**	**$ 6,664**

	At December 31, 2025		
$ in millions	HFI Loans	HFS Loans	Total Loans
Residential real estate	$ 72,403	$ 5	$ 72,408
Securities-based lending and Other[1]	101,667	—	101,667
Total loans	174,070	5	174,075
ACL	(355)	—	(355)
Total loans, net	$ 173,715	$ 5	$ 173,720
Loans to non-U.S. borrowers, net	$ 6,654	$ —	$ 6,654

HFI—Held-for-investment
HFS—Held-for-sale
1. Other loans primarily include tailored loans.

For additional information on the Bank's HFI and HFS loan portfolios, see Note 3 to the financial statements in the 2025 Annual Report.

Loans by Interest Rate Type

	At September 30, 2026		At December 31, 2025	
$ in millions	Fixed Rate	Floating or Adjustable Rate	Fixed Rate	Floating or Adjustable Rate
Residential real estate	**$ 33,500**	**$ 43,941**	$ 32,377	$ 40,031
Securities-based lending and Other	**25,224**	**87,318**	24,646	77,021
Total loans, before ACL	**$ 58,724**	**$ 131,259**	$ 57,023	$ 117,052

See Note 6 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.

Notes to Consolidated Financial Statements (Unaudited)

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

	At September 30, 2026					
	Residential Real Estate					
	by FICO scores			by LTV ratio		
$ in millions	≥ 740	680-739	≤ 679	≤ 80%	> 80%	Total
Revolving	**$ 192**	**$ 49**	**$ 8**	**$ 249**	**$ —**	**$ 249**
2026	**8,314**	**1,448**	**211**	**9,100**	**873**	**9,973**
2025	**8,449**	**1,581**	**177**	**9,222**	**985**	**10,207**
2024	**7,100**	**1,349**	**165**	**7,782**	**832**	**8,614**
2023	**5,537**	**1,202**	**176**	**6,198**	**717**	**6,915**
2022	**9,040**	**2,009**	**338**	**10,499**	**888**	**11,387**
Prior	**24,036**	**5,447**	**608**	**28,138**	**1,953**	**30,091**
Total	**$ 62,668**	**$ 13,085**	**$ 1,683**	**$ 71,188**	**$ 6,248**	**$ 77,436**

	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

FICO—Fair Isaac Corporation
LTV—Loan-to-value

	At September 30, 2026			
		Other[2]		
$ in millions	Securities-based Lending[1]	IG	NIG	Total
Revolving	**$ 101,230**	**$ 745**	**$ 1,596**	**$ 103,571**
2026	**76**	**15**	**974**	**1,065**
2025	**254**	**186**	**492**	**932**
2024	**40**	**614**	**167**	**821**
2023	**401**	**88**	**768**	**1,257**
2022	**66**	**199**	**1,057**	**1,322**
Prior	**225**	**821**	**2,528**	**3,574**
Total	**$ 102,292**	**$ 2,668**	**$ 7,582**	**$ 112,542**

	At December 31, 2025			
		Other[2]		
$ in millions	Securities-based Lending[1]	IG	NIG	Total
Revolving	$ 90,760	$ 639	$ 1,545	$ 92,944
2025	301	199	677	1,177
2024	40	690	156	886
2023	492	126	821	1,439
2022	72	169	1,198	1,439
Prior	243	856	2,683	3,782
Total	$ 91,908	$ 2,679	$ 7,080	$ 101,667

IG–Investment Grade
NIG–Non-investment Grade

1. Securities-based loans are subject to collateral maintenance provisions, and at September 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 Annual Report.
2. Other loans primarily include certain loans originated in the tailored lending business, 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 September 30, 2026**	At December 31, 2025
Residential real estate	**$ 206**	$ 298
Securities-based lending and Other	**4**	41
Total	**$ 210**	$ 339

1. At September 30, 2026, the majority of the amounts are past due for a period of less than 90 days. At December 31, 2025, the majority of the amounts are 90 days or more past due.

Nonaccrual Loans Held for Investment before Allowance[1]

$ in millions	**At September 30, 2026**	At December 31, 2025
Residential real estate	**$ 218**	$ 208
Securities-based lending and Other	**180**	222
Total	**$ 398**	$ 430
Nonaccrual loans without an ACL	**$ 200**	$ 180

1. There were no loans held for investment that were 90 days or more past due and still accruing at September 30, 2026 and December 31, 2025. For further information on the Bank's nonaccrual policy, see Note 2 to the financial statements in the 2025 Annual Report.

Loan Modifications to Borrowers Experiencing Financial Difficulty

The Bank 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 September 30,			
	2026		2025	
$ in millions	Amortized Cost	% of Total Loans[2]	Amortized Cost	% of Total Loans[2]
Term Extension				
Securities-based lending and Other	**$ —**	**— %**	$ 397	0.4 %
Total	**$ —**	**— %**	$ 397	0.4 %
Other-than-insignificant Payment Delay				
Residential real estate	**$ —**	**— %**	$ 1	— %
Total	**$ —**	**— %**	$ 1	— %
Multiple Modifications - Term Extension and Other-than-insignificant Payment Delay				
Securities-based lending and Other	**$ 14**	**— %**	$ —	— %
Total	**$ 14**	**— %**	$ —	— %
Multiple Modifications - Term Extension and Interest Rate Reduction				
Residential real estate	**$ —**	**— %**	$ 5	— %
Total	**$ —**	**— %**	$ 5	— %
Total Modifications	**$ 14**	**— %**	$ 403	0.2 %

Notes to Consolidated Financial Statements (Unaudited)

	Nine Months Ended September 30,			
	2026		2025	
$ in millions	Amortized Cost	% of Total Loans[2]	Amortized Cost	% of Total Loans[2]
Term Extension				
Residential real estate	**$ —**	**— %**	$ 1	— %
Securities-based lending and Other	**—**	**—**	429	0.5 %
Total	**$ —**	**— %**	$ 430	0.5 %
Other-than-insignificant Payment Delay				
Residential real estate	**$ —**	**— %**	$ 1	— %
Securities-based lending and Other	**—**	**—**	23	—
Total	**$ —**	**— %**	$ 24	— %
Interest Rate Reduction				
Residential real estate	**$ —**	**— %**	$ 1	— %
Total	**$ —**	**— %**	$ 1	— %
Multiple Modifications - Term Extension and Other-than-insignificant Payment Delay				
Securities-based lending and Other	**$ 14**	**— %**	—	— %
Total	**$ 14**	**— %**	$ —	— %
Multiple Modifications - Term Extension and Interest Rate Reduction				
Residential real estate	**$ —**	**— %**	$ 7	— %
Total	**$ —**	**— %**	$ 7	— %
Total Modifications	**$ 14**	**— %**	$ 462	0.3 %

1. There were no lending commitments to borrowers for which the Bank has modified terms of the receivable during the three months and nine months ended September 30, 2026 and 2025.
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 September 30, 2026			
	Term Extension (Months)	**Other-than-insignificant Payment Delay (Months)**	**Principal Forgiveness ($ millions)**	**Interest Rate Reduction (%)**
Multiple Modifications - Term Extension and Other-than-insignificant Payment Delay				
Securities-based lending and Other	**12**	**7**	**$ —**	**— %**

	Three Months Ended September 30, 2025[1]			
	Term Extension (Months)	**Other-than-insignificant Payment Delay (Months)**	**Principal Forgiveness ($ millions)**	**Interest Rate Reduction (%)**
Single Modifications				
Residential real estate	—	19	$ —	— %
Securities-based lending and Other	24	—	—	— %
Multiple Modifications - Term Extension and Interest Rate Reduction				
Residential real estate	120	—	—	1.0 %

	Nine Months Ended September 30, 2026			
	Term Extension (Months)	**Other-than-insignificant Payment Delay (Months)**	**Principal Forgiveness ($ millions)**	**Interest Rate Reduction (%)**
Multiple Modifications - Term Extension and Other-than-insignificant Payment Delay				
Securities-based lending and Other	**12**	**7**	**$ —**	**— %**

	Nine Months Ended September 30, 2025[1]			
	Term Extension (Months)	**Other-than-insignificant Payment Delay (Months)**	**Principal Forgiveness ($ millions)**	**Interest Rate Reduction (%)**
Single Modifications				
Residential real estate	29	19	$ —	0.3 %
Securities-based lending and Other	23	12	—	— %
Multiple Modifications - Term Extension and Interest Rate Reduction				
Residential real estate	120	—	$ —	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 September 30, 2026			
$ in millions	Current and less than 30 Days Past Due	30-89 Days Past Due	90+ Days Past Due	Total
Securities-based lending and Other	**$ 41**	**$ —**	**$ —**	**$ 41**
Total	**$ 41**	**$ —**	**$ —**	**$ 41**

	At September 30, 2025			
$ in millions	Current and less than 30 Days Past Due	30-89 Days Past Due	90+ Days Past Due	Total
Residential real estate	$ 10	$ 1	$ —	$ 11
Securities-based lending and Other	453	—	—	453
Total	$ 463	$ 1	$ —	$ 464

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

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

	Nine Months Ended September 30, 2026		
$ in millions	Residential Real Estate	Securities-based lending and Other	Total
ACL—Loans			
Beginning balance	$ 127	$ 228	$ 355
Gross charge-offs	**(1)**	**(10)**	**(11)**
Net (charge-offs) recoveries	**(1)**	**(10)**	**(11)**
Provision (release)	**18**	**16**	**34**
Ending balance	**$ 144**	**$ 234**	**$ 378**
Percent of loans to total loans[1]	**41%**	**59%**	**100%**
ACL—Lending commitments			
Beginning balance	$ 5	$ 7	$ 12
Ending balance	**$ 5**	**$ 7**	**$ 12**
Total ending balance	**$ 149**	**$ 241**	**$ 390**

	Nine Months Ended September 30, 2025		
$ in millions	Residential Real Estate	Securities-based lending and Other	Total
ACL—Loans			
Beginning balance	$ 97	$ 229	$ 326
Gross charge-offs	—	(17)	(17)
Net (charge-offs) recoveries	—	(17)	(17)
Provision (release)	26	46	72
Other	(1)	2	1
Ending balance	$ 122	$ 260	$ 382
Percent of loans to total loans[1]	44 %	56 %	100 %
ACL—Lending commitments			
Beginning balance	$ 4	$ 8	$ 12
Provision (release)	1	(1)	—
Other	—	(2)	(2)
Ending balance	$ 5	$ 5	$ 10
Total ending balance	$ 127	$ 265	$ 392

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 nine months ended September 30, 2026, primarily related to portfolio growth and provisions for certain specific loans in our tailored lending portfolio. Charge-offs in the current year period were primarily related to tailored lending.

The base scenario used in our ACL models at September 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 gross domestic product ("GDP") growth rate with the base scenario for the current quarter incorporating expectations of continued economic growth and higher interest rates relative to the prior quarter forecast. Other key macroeconomic variables used in our 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.

For a further discussion of the Bank's loans as well as the Bank's allowance methodology, refer to Notes 2 and 3 to the financial statements in the 2025 Annual Report.

Gross Charge-offs by Origination Year

	Three Months Ended September 30, 2026	
$ in millions	Residential Real Estate	Total
Prior to 2022	**$ (1)**	**$ (1)**
Total	**$ (1)**	**$ (1)**

	Three Months Ended September 30, 2025	
$ in millions	Securities-based lending and Other	Total
Revolving	$ (8)	$ (8)
Prior to 2022	(9)	(9)
Total	$ (17)	$ (17)

	Nine Months Ended September 30, 2026		
$ in millions	Residential Real Estate	Securities-based lending and Other	Total
Prior to 2022	**(1)**	**(10)**	**(11)**
Total	**$ (1)**	**$ (10)**	**$ (11)**

	Nine Months Ended September 30, 2025	
$ in millions	Securities-based lending and Other	Total
Revolving	$ (8)	$ (8)
Prior to 2022	(9)	(9)
Total	$ (17)	$ (17)

Selected Credit Ratios

	At September 30, 2026	At December 31, 2025
ACL for loans to total HFI loans	**0.2 %**	0.2 %
Nonaccrual HFI loans to total HFI loans	**0.2 %**	0.2 %
ACL for loans to nonaccrual HFI loans	**95.0 %**	82.6 %

4. Interest Income and Interest Expense

	Three Months Ended September 30,		Nine Months Ended September 30,	
$ in millions	**2026**	2025	**2026**	2025
Interest income				
Cash and cash equivalents	**$ 168**	$ 235	**$ 500**	$ 699
Investment securities	**292**	309	**852**	876
Securities purchased under agreement to resell	**39**	43	**151**	101
Loans, including fees and Other[1]	**2,272**	1,948	**6,531**	5,561
Total interest income	**$ 2,771**	$ 2,535	**$ 8,034**	$ 7,237
Interest expense				
Deposits and Other[2]	**$ 1,520**	$ 1,473	**$ 4,236**	$ 4,262
Borrowings	**177**	74	**510**	91
Total interest expense	**$ 1,697**	$ 1,547	**$ 4,746**	$ 4,353
Net interest	**$ 1,074**	$ 988	**$ 3,288**	$ 2,884

1. Other includes the impact of loans to Morgan Stanley Bank, N.A. ("MSBNA"), and dividends on Federal Reserve Bank of New York ("FRB") and Federal Home Loan Bank of New York ("FHLB") capital stock.
2. Other primarily includes the impact of secured financing from FHLB and certain hedging activities.

Notes to Consolidated Financial Statements (Unaudited)

Morgan Stanley Private Bank, National Association

5. Investment Securities

AFS and HTM Securities

$ in millions	At September 30, 2026 Amortized Cost[1]	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
AFS securities				
U.S. Treasury securities	**$ 10,162**	**$ 16**	**$ —**	**$ 10,178**
U.S. agency securities[2]	**6,058**	**1**	**380**	**5,679**
Agency CMBS	**3,149**	**—**	**233**	**2,916**
FFELP student loan ABS[3]	**89**	**—**	**1**	**88**
Total AFS securities	**19,458**	**17**	**614**	**18,861**
HTM securities				
U.S. Treasury securities	**2,678**	**—**	**315**	**2,363**
U.S. agency securities[2]	**17,727**	**—**	**4,735**	**12,992**
Agency CMBS	**513**	**—**	**41**	**472**
Total HTM securities	**20,918**	**—**	**5,091**	**15,827**
Total investment securities	**$ 40,376**	**$ 17**	**$ 5,705**	**$ 34,688**

$ in millions	At December 31, 2025 Amortized Cost[1]	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
AFS securities				
U.S. Treasury securities	$ 12,445	$ 16	$ 12	$ 12,449
U.S. agency securities[2]	4,730	7	267	4,470
Agency CMBS	3,334	1	190	3,145
FFELP student loan ABS[3]	125	—	1	124
Total AFS securities	20,634	24	470	20,188
HTM securities				
U.S. Treasury securities	2,879	—	243	2,636
U.S. agency securities[2]	18,778	—	3,881	14,897
Agency CMBS	709	—	43	666
Total HTM securities	22,366	—	4,167	18,199
Total investment securities	$ 43,000	$ 24	$ 4,637	$ 38,387

ABS—Asset-backed securities
AFS—Available-for-sale
HTM—Held-to-maturity
CMBS—Commercial mortgage-backed securities
FFELP—Federal Family Education Loan Program

1. Amounts are net of any ACL.
2. U.S. agency securities consist mainly of agency mortgage pass-through pool securities, collateralized mortgage obligations 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.

AFS Securities in an Unrealized Loss Position

$ in millions	At September 30, 2026 Fair Value	Gross Unrealized Losses	At December 31, 2025 Fair Value	Gross Unrealized Losses
U.S. Treasury securities				
12 months or longer	**237**	**—**	3,524	12
Total	**237**	**—**	3,524	12
U.S. agency securities				
Less than 12 months	**3,022**	**49**	1	—
12 months or longer	**2,226**	**331**	2,634	267
Total	**5,248**	**380**	2,635	267
Agency CMBS				
Less than 12 months	**780**	**10**	133	—
12 months or longer	**2,136**	**223**	2,600	190
Total	**2,916**	**233**	2,733	190
FFELP student loan ABS				
Less than 12 months	**3**	**—**	—	—
12 months or longer	**66**	**1**	81	1
Total	**69**	**1**	81	1
Total AFS securities in an unrealized loss position				
Less than 12 months	**3,805**	**59**	134	—
12 months or longer	**4,665**	**555**	8,839	470
Total	**$ 8,470**	**$ 614**	$ 8,973	$ 470

For AFS securities, the Bank 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 Annual Report. Additionally, the Bank 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. At September 30, 2026 and December 31, 2025, the securities in an unrealized loss position were predominantly investment grade.

At September 30, 2026 and December 31, 2025, there was no ACL for HTM securities. See Note 2 for a description of the ACL methodology in the 2025 Annual Report.

At September 30, 2026 and December 31, 2025, the Bank's portfolio of HTM securities was comprised of investment grade U.S. agency securities, U.S. Treasury securities and Agency CMBS that were on accrual status and for which there is an underlying assumption of zero credit losses.

See Note 14 for additional information on securities issued by variable interest entities ("VIEs").

Investment Securities by Contractual Maturity

$ in millions	At September 30, 2026 Amortized Cost[1]	Fair Value	Annualized Average Yield[2,3]
AFS securities			
U.S. Treasury securities:			
Due within 1 year	**$ 4,643**	**$ 4,647**	**3.9 %**
After 1 year through 5 years	**5,519**	**5,531**	**3.6 %**
Total	**10,162**	**10,178**	
U.S. agency securities:			
Due within 1 year	**1**	**1**	**2.4 %**
After 1 year through 5 years	**55**	**51**	**1.8 %**
After 5 years through 10 years	**105**	**93**	**1.6 %**
After 10 years	**5,897**	**5,534**	**3.9 %**
Total	**6,058**	**5,679**	
Agency CMBS:			
After 1 year through 5 years	**2,242**	**2,211**	**1.5 %**
After 5 years through 10 years	**138**	**132**	**1.6 %**
After 10 years	**769**	**573**	**1.6 %**
Total	**3,149**	**2,916**	
FFELP student loan ABS:			
Due within 1 year	**3**	**3**	**4.4 %**
After 1 year through 5 years	**4**	**3**	**4.6 %**
After 10 years	**82**	**82**	**4.5 %**
Total	**89**	**88**	
Total AFS securities	**$ 19,458**	**$ 18,861**	**3.4 %**

$ in millions	At September 30, 2026 Amortized Cost[1]	Fair Value	Annualized Average Yield[2]
HTM securities			
U.S. Treasury securities:			
Due within 1 year	**$ 500**	**$ 495**	**2.4 %**
After 1 year through 5 years	**1,703**	**1,565**	**2.2 %**
After 10 years	**475**	**303**	**1.8 %**
Total	**2,678**	**2,363**	
U.S. agency securities:			
After 5 years through 10 years	**12**	**11**	**2.4 %**
After 10 years	**17,715**	**12,981**	**1.6 %**
Total	**17,727**	**12,992**	
Agency CMBS:			
Due within 1 year	**303**	**296**	**1.4 %**
After 1 year through 5 years	**99**	**87**	**1.4 %**
After 5 years through 10 years	**100**	**80**	**1.5 %**
After 10 years	**11**	**9**	**1.4 %**
Total	**513**	**472**	
Total HTM securities	**20,918**	**15,827**	**1.7 %**
Total investment securities	**$ 40,376**	**$ 34,688**	**2.5 %**

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 September 30, 2026, the annualized average yield, including the interest rate swap accrual of related hedges, was 4.2% for AFS securities contractually maturing within 1 year and 3.8% for all AFS securities.

Gross Realized Gains (Losses) on Sales of AFS Securities

There were immaterial gross gains or losses on sales of AFS securities in the current and prior year quarters.

Accumulated Other Comprehensive Income (Loss) Rollforward

	AFS Securities			
	Three Months Ended September 30,		Nine Months Ended September 30,	
$ in millions	**2026**	2025	**2026**	2025
Beginning Balance	$ (328)	$ (467)	$ (343)	$ (577)
OCI Activity:				
Pre-Tax Gain (Loss)	**(173)**	98	**(152)**	242
Tax effect	**42**	(24)	**36**	(58)
After-tax Gain (Loss)	**(131)**	74	**(116)**	184
OCI Activity	**(131)**	74	**(116)**	184
Ending Balance	**$ (459)**	$ (393)	**$ (459)**	$ (393)

OCI—Other comprehensive income (loss)

6. Fair Values

Recurring Fair Value Measurements

Assets and Liabilities Measured at Fair Value on a Recurring Basis

$ in millions	At September 30, 2026 Level 1	Level 2	Level 3	Netting	Total
Assets at fair value					
Trading assets:					
Derivative contracts:					
Interest rate	**$ —**	**$ 655**	**$ —**	**$ —**	**$ 655**
Equity	**—**	**49**	**—**	**—**	**49**
Netting[1]	**—**	**(661)**	**—**	**(33)**	**(694)**
Total derivative contracts	**—**	**43**	**—**	**(33)**	**10**
Total trading assets[2]	**—**	**43**	**—**	**(33)**	**10**
Investment securities—AFS:					
U.S. Treasury securities	**10,178**	**—**	**—**	**—**	**10,178**
U.S. agency securities	**—**	**5,679**	**—**	**—**	**5,679**
MABS	**—**	**2,995**	**9**	**—**	**3,004**
Total Investment securities —AFS	**10,178**	**8,674**	**9**	**—**	**18,861**
Total assets at fair value	**$ 10,178**	**$ 8,717**	**$ 9**	**$ (33)**	**$ 18,871**

$ in millions	At September 30, 2026 Level 1	Level 2	Level 3	Netting	Total
Liabilities at fair value					
Interest-bearing deposits	**$ —**	**$ 3,564**	**$ —**	**$ —**	**$ 3,564**
Trading liabilities:					
Derivative contracts					
Interest rate	**—**	**1,431**	**18**	**—**	**1,449**
Equity	**—**	**6**	**—**	**—**	**6**
Netting[1]	**—**	**(661)**	**—**	**(794)**	**(1,455)**
Total trading liabilities	**—**	**776**	**18**	**(794)**	**—**
Total liabilities at fair value	**$ —**	**$ 4,340**	**$ 18**	**$ (794)**	**$ 3,564**

Notes to Consolidated Financial Statements (Unaudited)

Morgan Stanley Private Bank, National Association

	At December 31, 2025				
$ in millions	Level 1	Level 2	Level 3	Netting	Total
Assets at fair value					
Trading assets:					
Derivative contracts:					
Interest rate	$ —	$ 1,181	$ —	$ —	$ 1,181
Equity	—	44	—	—	44
Netting[1]	—	(980)	—	(200)	(1,180)
Total derivative contracts	—	245	—	(200)	45
Total trading assets[2]	—	245	—	(200)	45
Investment securities—AFS:					
U.S. Treasury securities	12,449	—	—	—	12,449
U.S. agency securities	—	4,470	—	—	4,470
MABS	—	3,269	—	—	3,269
Total Investment securities—AFS	12,449	7,739	—	—	20,188
Total assets at fair value	$ 12,449	$ 7,984	$ —	$ (200)	$ 20,233

	At December 31, 2025				
$ in millions	Level 1	Level 2	Level 3	Netting	Total
Liabilities at fair value					
Interest-bearing deposits	$ —	$ 3,617	$ —	$ —	$ 3,617
Trading liabilities:					
Derivative contracts					
Interest rate	—	980	16	—	996
Equity	—	2	—	—	2
Netting[1]	—	(980)	—	(16)	(996)
Total trading liabilities	—	2	16	(16)	2
Total liabilities at fair value	$ —	$ 3,619	$ 16	$ (16)	$ 3,619

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 12.
2. Amounts exclude certain investments that are measured based on net asset value ("NAV") per share, which are not classified in the fair value hierarchy. For additional disclosure about such investments, see "Net Asset Value Measurements" herein.

For a description of the valuation techniques applied to the Bank's major categories of assets and liabilities measured at fair value on a recurring basis, see Note 6 to the financial statements in the 2025 Annual Report. During the current quarter, there were no significant revisions made to the Bank's valuation techniques.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
$ in millions	**2026**	2025	**2026**	2025
Derivative contracts, net[1]				
Beginning balance	$ (16)	$ (20)	$ (16)	$ (25)
Realized and unrealized gains (losses)	**(4)**	—	**(6)**	—
Issuances	**—**	—	**—**	(1)
Settlements	**2**	3	**4**	9
Ending balance	**$ (18)**	$ (17)	**$ (18)**	$ (17)
Unrealized gains (losses)[3,4]	**(4)**	—	**(6)**	—
Investment securities—AFS				
Beginning balance	7	4	—	—
Settlements	**(1)**	**—**	**(1)**	**—**
Net transfers[2]	**3**	(4)	**10**	—
Ending balance	**$ 9**	$ —	**$ 9**	$ —
Unrealized gains (losses)[3,4]	**—**	—	**—**	—

1. Realized and unrealized gains (losses) are included in Non-interest revenue within Gains (losses) on financial assets and liabilities in the income statement.
2. Reclassifications between levels are driven by the unobservable inputs and whether such inputs are significant to the valuation.
3. Amounts represent unrealized gains (losses) for the three months ended September 30, 2026 and September 30, 2025 related to Level 3 assets and liabilities still held by the Bank at September 30, 2026 and September 30, 2025, respectively.
4. Amounts represent unrealized gains (losses) for the nine months ended September 30, 2026 and September 30, 2025 related to Level 3 assets and liabilities still held by the Bank at September 30, 2026 and September 30, 2025, respectively.

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 Bank 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 unrealized gains (losses) are primarily included in Non-interest revenues within Gains (losses) on financial assets and liabilities in the income statement.

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

Valuation Techniques and Unobservable Inputs

	Balance / Range (Average[1])	
$ in millions, except inputs	**At September 30, 2026**	At December 31, 2025
Assets		
Investment securities—AFS	**$ 9**	$ —
Comparable pricing:		
Comparable bond price	**96 to 99 points (97 points)**	$ —
Net Derivative contracts		
Interest Rate	**$ (18)**	$ (16)
Option model:		
IR volatility skew	**96% to 124% (105%, 120%)**	77% to 106% (87%, 89%)
Nonrecurring Fair Value Measurement		
Loans	**$ 15**	$ 10
Comparable pricing:		
Loan price	**80 to 104 points (97 points)**	75 to 100 points (90 points)

Points—Percentage of par
IR—Interest rate
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.

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 the financial services industry because of diversity in the types of products included in the inventory. Generally, there are no predictable relationships between multiple significant unobservable inputs attributable to a given valuation technique.

For a description of the Bank's significant unobservable inputs and qualitative information about the effect of hypothetical changes in the values of those inputs, see Note 6 to the financial statements in the 2025 Annual Report. During the three months ended September 30, 2026, there were no significant revisions made to the descriptions of the Bank's significant unobservable inputs.

Net Asset Value Measurements

Fund Interests

	At September 30, 2026		At December 31, 2025	
$ in millions	Carrying Value	Unfunded Commitments	Carrying Value	Unfunded Commitments
Private equity funds	**$ 38**	**$ 59**	$ 22	$ 62
Real estate funds	**807**	**1**	924	2
Total	**$ 845**	**$ 60**	$ 946	$ 64

Amounts in the previous table represent the Bank's carrying value of 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 Bank's investments in private equity funds and real estate funds, which are measured based on NAV, see Note 6 to the financial statements in the 2025 Annual Report.

Nonredeemable Funds by Contractual Maturity

	Carrying value at September 30, 2026	
$ in millions	Private Equity	Real Estate
Less than 5 years	**$ —**	**$ 807**
5-10 years	**38**	**—**
Total	**$ 38**	**$ 807**

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

	At September 30, 2026		
$ in millions	Level 2	Level 3	Total
Assets			
Loans	**$ —**	**$ 15**	**$ 15**

	At December 31, 2025		
$ in millions	Level 2	Level 3	Total
Assets			
Loans	$ —	$ 10	$ 10

There were no significant liabilities measured at fair value on a non-recurring basis classified within Level 3 at September 30, 2026 and December 31, 2025.

Gains (Losses) from Nonrecurring Fair Value Remeasurements

The gains or losses from nonrecurring fair value remeasurements were immaterial for the current quarter and current year period. There were no gains or losses from nonrecurring fair value remeasurements for the prior year periods.

Notes to Consolidated Financial Statements (Unaudited)

Financial Instruments Not Measured at Fair Value

	At September 30, 2026				
	Carrying Value	Fair Value			
$ in millions		Level 1	Level 2	Level 3	Total
Financial Assets					
Cash and cash equivalents	**$ 14,190**	**$ 14,190**	**$ —**	**$ —**	**$ 14,190**
Investment securities—HTM	**20,918**	**2,363**	**13,464**	**—**	**15,827**
Securities purchased under agreement to resell	**10,001**	**—**	**10,001**	**—**	**10,001**
Loans held for sale[1]	**5**	**—**	**—**	**5**	**5**
Loans held for investment, net[2]	**189,600**	**—**	**—**	**184,573**	**184,573**
Loan to affiliate	**301**	**—**	**301**	**—**	**301**
Affordable housing tax credit investments	**583**	**—**	**—**	**480**	**480**
Accrued interest receivable	**1,096**	**—**	**1,096**	**—**	**1,096**
Other assets	**1,285**	**—**	**1,285**	**—**	**1,285**
Financial Liabilities					
Deposits	**$ 221,323**	**$ —**	**$221,293**	**$ —**	**$221,293**
Accrued interest payable	**755**	**—**	**755**	**—**	**755**
Other liabilities and accrued expenses	**571**	**—**	**354**	**217**	**571**
Borrowings	**14,717**	**—**	**14,717**	**—**	**14,717**
	Commitment Amount				
Lending commitments[3]	**20,247**	**—**	**—**	**6**	**6**

	At December 31, 2025				
	Carrying Value	Fair Value			
$ in millions		Level 1	Level 2	Level 3	Total
Financial Assets					
Cash and cash equivalents	$ 29,713	$ 29,713	$ —	$ —	$ 29,713
Investment securities—HTM	22,366	2,636	15,563	—	18,199
Securities purchased under agreement to resell	4,000	—	4,000	—	4,000
Loans held for sale[1]	5	—	—	5	5
Loans held for investment, net[2]	173,715	—	—	170,479	170,479
Loans to affiliate	312	—	312	—	312
Affordable housing tax credit investments	589	—	—	481	481
Accrued interest receivable	977	—	977	—	977
Other assets	1,026	—	1,026	—	1,026
Financial Liabilities					
Deposits	$ 218,979	$ —	$219,262	$ —	$219,262
Accrued interest payable	658	—	658	—	658
Other liabilities and accrued expenses	613	—	359	254	613
Borrowings	12,750	—	12,750	—	12,750
	Commitment Amount				
Lending commitments[3]	17,504	—	—	5	5

1. Amounts include all loans measured at fair value on a non-recurring basis.
2. Net of allowance for credit losses of $378 million and $355 million and net of unamortized deferred fees or costs for originated loans of $215 million and $211 million at September 30, 2026 and December 31, 2025, respectively.
3. 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.

Residential real estate loans held for investment, where position-specific external price data is not observable, the fair value is based on the credit risks of the borrower using a probability of default and loss given default method, discounted at the estimated external cost of funding level.

For a description of the Bank's lending commitments, see Note 13.

Fair Value Option

The Bank 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. Net (losses) gains due to fair value option for the current quarter was $24 million, and comprised of $51 million of Trading revenues and $27 million of Interest expense. Net (losses) gains due to fair value option for the prior year quarter was $(54) million, and comprised of $(23) million of Trading revenues and $31 million of Interest expense. Net (losses) gains due to fair value option for the current year period was $(26) million, and comprised of $56 million of Trading revenues and $82 million of Interest expense. Net (losses) gains due to fair value option for the prior year period was $(143) million, and comprised of $(60) million of Trading revenues and $83 million of Interest expense.

There were no gains (losses) due to changes in instrument-specific credit risk for the quarters ended September 30, 2026 and September 30, 2025.

In addition, changes in instrument-specific credit risk decreased other comprehensive income by $(21) million and $(10) million for the current and prior year quarters, respectively. Changes in instrument-specific credit risk decreased other comprehensive income by $(20) million for the current year period and increased other comprehensive income by $13 million for the prior year period.

Accumulated Other Comprehensive Income (Loss) Rollforward

	Debt Valuation Adjustment			
	Three Months Ended September 30,		Nine Months Ended September 30,	
$ in millions	**2026**	2025	**2026**	2025
Beginning Balance	$ (4)	$ (1)	$ (5)	$ (18)
OCI Activity:				
Pre-Tax Gain (Loss)	**(21)**	(10)	**(20)**	13
Tax effect	**5**	2	**5**	(4)
After-tax Gain (Loss)	**(16)**	(8)	**(15)**	9
OCI Activity	**(16)**	(8)	**(15)**	9
Net OCI Activity	**(16)**	(8)	**(15)**	9
Ending Balance	**$ (20)**	$ (9)	**$ (20)**	$ (9)

Notes to Consolidated Financial Statements (Unaudited)

7. Cash and Cash Equivalents

$ in millions	At September 30, 2026	At December 31, 2025
Cash and due from banks	**$ 37**	$ 25
Interest bearing deposits with banks	**14,153**	29,688
Total Cash and cash equivalents	**$ 14,190**	$ 29,713
Restricted cash	**$ 1**	$ 1

For additional information on cash and cash equivalents, including restricted cash, see Note 2 to the financial statements in the 2025 Annual Report.

8. Collateralized Transactions

Offsetting of Certain Collateralized Transactions

	At September 30, 2026				
$ in millions	Gross Amounts	Amounts Offset	Balance Sheet Net Amounts	Amounts Not Offset[1]	Net Amounts
Assets					
Securities purchased under agreement to resell	**$ 10,001**	**$ —**	**$ 10,001**	**$ (10,001)**	**$ —**
Amounts for which master netting agreements are not in place or may not be legally enforceable, included in Net Amounts					
Securities purchased under agreement to resell					**$ —**

	At December 31, 2025				
$ in millions	Gross Amounts	Amounts Offset	Balance Sheet Net Amounts	Amounts Not Offset[1]	Net Amounts
Assets					
Securities purchased under agreement to resell	$ 4,240	$ (240)	$ 4,000	$ (4,000)	$ —
Liabilities					
Securities sold under agreement to repurchase	$ 240	$ (240)	$ —	$ —	$ —

1. Amounts relate to master netting agreement that has been determined by the Bank 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 information related to offsetting of derivatives, see Note 12.

Gross Secured Financing Balances by Remaining Contractual Maturity

At December 31, 2025, the contractual maturity term of the gross secured financing balances was overnight and open.

Gross Secured Financing Balances by Class of Collateral Pledged

At December 31, 2025, the Bank had pledged U.S. Treasury and agency securities as collateral for the gross secured financing balance.

Assets Loaned or Pledged

The Bank pledges certain of its investment securities to collateralize securities sold under agreement to repurchase.

At September 30, 2026, the fair value of assets loaned or pledged with counterparty right to sell or repledge was immaterial. At December 31, 2025, the fair value of assets loaned or pledged with counterparty right to sell or repledge was $0.3 billion.

The carrying value of assets loaned or pledged without counterparty right to sell or repledge was immaterial at September 30, 2026 and at December 31, 2025.

Fair Value of Collateral Received with Right to Sell or Repledge

At September 30, 2026 and December 31, 2025, the fair value of financial instruments received as collateral where the Bank is permitted to sell or repledge the securities was $10.3 billion and $4.5 billion, respectively. At September 30, 2026, the fair value of securities that had been sold or repledged was $0.1 billion. At December 31, 2025, the fair value of securities that had been sold or repledged was immaterial.

9. Deposits

Deposits

$ in millions	At September 30, 2026	At December 31, 2025
Savings and demand deposits[1]	**$ 161,348**	$ 178,572
Time deposits[2,3]	**63,539**	44,024
Total deposits	**$ 224,887**	$ 222,596
Deposits subject to FDIC insurance	**$ 180,834**	$ 166,411
Deposits not subject to FDIC insurance	**$ 44,053**	$ 56,185

1. Primarily includes deposits from the Parent and affiliated entities, see Note 11.
2. Includes Structured CDs at fair value of $3.6 billion at both September 30, 2026 and December 31, 2025.
3. The contractual liability to depositors was $63.5 billion and $44.0 billion at September 30, 2026 and December 31, 2025, respectively.

Time Deposit Maturities

$ in millions	At September 30, 2026
2026	**$ 9,108**
2027	**25,728**
2028	**13,961**
2029	**6,956**
2030	**5,387**
Thereafter	**2,399**
Total	**$ 63,539**

Deposits from Non-U.S. Depositors

$ in millions	At September 30, 2026	At December 31, 2025
Deposits from non-U.S. depositors	$ 1,031	$ 1,057

Notes to Consolidated Financial Statements (Unaudited)

10. Borrowings and Other Secured Financings

Borrowings[1]

$ in millions	At September 30, 2026	At December 31, 2025
Original maturities of one year or less	$ 1	$ —
Original maturities greater than one year	14,716	12,750
Total	$ 14,717	$ 12,750
Weighted average stated maturity, in years[2]	3.4	4.1

1. Primarily includes only senior debt issued by the Bank; the Bank had no subordinated debt for all periods presented.
2. Only includes borrowings with original maturities greater than one year.

Other Secured Financings

The Bank may execute secured financings with the FRB and FHLB as supplemental sources of funding. At both September 30, 2026 and December 31, 2025, the Bank did not have any outstanding secured financings from the FRB or FHLB.

11. Related Party Transactions

Assets and receivables from Parent and affiliated companies

$ in millions	At September 30, 2026	At December 31, 2025
Trading assets at fair value	$ 10	$ 44
Securities purchased under agreements to resell	10,001	4,000
Loan to affiliate	301	312
Other assets	248	36
Total	$ 10,560	$ 4,392

Liabilities and payables to Parent and affiliated companies

$ in millions	At September 30, 2026	At December 31, 2025
Deposits	$ 3,613	$ 17,938
Other liabilities and accrued expenses	354	490
Borrowings	128	751
Total	$ 4,095	$ 19,179

Revenues and expenses resulting from transactions with Parent and affiliated companies

$ in millions	Three Months Ended September 30, 2026	Three Months Ended September 30, 2025	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025
Net revenues				
Interest income	$ 224	$ 55	$ 572	$ 42
Interest expense	427	66	904	237
Net interest	(203)	(11)	(332)	(195)
Non-interest revenues				
Fee income	171	128	486	362
Gains (losses) on financial assets and liabilities	(64)	10	(87)	33
Other	2	2	5	5
Total non-interest revenues	109	140	404	400
Net revenues	(94)	129	72	205
Non-interest expenses				
General and administrative	174	144	508	408
Compensation and benefits	(1)	5	8	14
Total non-interest expenses	$ 173	$ 149	$ 516	$ 422

Morgan Stanley Private Bank, National Association

Assets

Trading assets were primarily driven by outstanding derivative contracts in the normal course of business and were primarily with Morgan Stanley & Co. LLC ("MS&Co.").

Securities purchased under agreement to resell were with MS&Co. For further information, see Note 8.

Loan to an affiliated entity was with MSBNA in accordance with the relevant agreement. The above agreement is the operative loan agreement between the Bank or MSBNA, and any one of their affiliated entities, and borrowings may support day to day operations and general corporate purposes.

Other assets consisted of receivables from affiliated entities, primarily driven by intercompany transactions that occurred in the normal course of business.

Liabilities

Deposits primarily included overnight deposits from the Parent and affiliated entities of $2.6 billion and $17.4 billion at September 30, 2026 and December 31, 2025, respectively. Additionally, the balance included cash collateral primarily received from the Parent for the purpose of securing credit transactions between the Bank and its affiliated entities of $1.0 billion and $0.5 billion at September 30, 2026 and December 31, 2025, respectively.

Other liabilities and accrued expenses were primarily driven by intercompany transactions that occurred in the normal course of business. The balance also included taxes payable to Parent of $253 million and $305 million at September 30, 2026 and December 31, 2025, respectively.

Borrowings primarily consisted of intercompany loans the Bank received from MSBNA of $0.1 billion and $0.7 billion at September 30, 2026 and December 31, 2025, respectively, in accordance with the relevant agreement.

Revenues and Expenses

Interest income was driven by designated accounting hedges on AFS securities, loans to MSBNA and Securities purchased under agreement to resell with MS&Co. Interest expense reflected the impact of designated accounting hedges on Borrowings and Brokered CDs, the cost of overnight deposits from the Parent and affiliated entities, as well as the cost of borrowing from the Parent and MSBNA.

Fee income primarily consisted of fees earned from MSSB, and compensates the Bank for relationship priced loans granted to clients of the affiliated entity.

Gains (losses) on financial assets and liabilities were primarily driven by the effect of interest rate derivatives with Morgan Stanley Capital Services LLC, MSBNA and MS&Co. used to economically hedge the interest rate risk on structured CDs and Borrowings.

General and administrative expenses primarily consisted of the following:

- Service Level Agreements whereby affiliated entities provided information technology services, for which the Bank incurred expenses of $51 million and $41 million in current and prior year quarter, respectively. The amount of expenses incurred for these services was $146 million and $120 million in the current and prior year periods, respectively.
- Service Level Agreements whereby affiliated entities provided the specialized distribution, national sales and business management services, in connection with Securities-based lending and other facilities. The amount of expenses incurred for these services net of reimbursements received from MSBNA and MSSB was $47 million and $38 million in current and prior year quarter, respectively. The amount of expenses incurred for these services was $135 million and $107 million in the current and prior year periods, respectively.
- Service Level Agreements whereby affiliated entities provided legal and compliance, loan processing, credit risk management, audit, human resources, and other services. The amount of expenses incurred by the Bank for these services was $38 million and $33 million in current and prior year quarter, respectively. The amount of expenses incurred by the Bank for these services was $105 million and $86 million in the current and prior year periods, respectively.
- The Bank incurred expenses from certain affiliated entities for marketing and business development, Deposits and Cash Management, professional services and other miscellaneous items. The amount of expenses incurred for these services was $24 million and $15 million in current and prior year quarter, respectively. The amount of expenses incurred for these services was $75 million and $52 million in the current and prior year periods, respectively.
- The Bank paid service fees to MSSB in connection with deposits sourced from clients of those affiliated entities. The amount of service fees incurred was $9 million and $11 million in current and prior year quarter, respectively. The amount of service fees incurred was $34 million and $28 million in the current and prior year periods, respectively.

The Bank received operational, administrative, and risk management support services from the Bank's affiliated entities. Certain affiliated entities charged the Bank for compensation and benefits related to certain employees who primarily supported the Bank. These amounts are included in Compensation and Benefits.

At September 30, 2026, the Bank had a lending commitment to MSBNA of $4 billion. The above commitment had a contractual term of 310 days.

At September 30, 2026, the Bank had Forward-starting secured financing receivables with MS&Co. of $10 billion. Forward-starting secured financing receivables are generally settled within three-business days.

12. Derivative Instruments and Hedging Activities

Fair Values of Derivative Contracts

	Bilateral OTC Assets	
$ in millions	**At September 30, 2026**	At December 31, 2025
Designated as accounting hedges		
Interest rate	**$ 275**	$ 266
Not designated as accounting hedges		
Interest rate	**380**	915
Equity	**49**	44
Total	**429**	959
Total gross derivatives	**$ 704**	$ 1,225
Amounts offset		
Counterparty netting	**(661)**	(996)
Cash collateral netting	**(33)**	(184)
Total in Trading assets	**$ 10**	$ 45
Amounts for which master netting or collateral agreements are not in place or may not be legally enforceable, included in Net amounts	**$ —**	$ 44

	Bilateral OTC Liabilities	
$ in millions	**At September 30, 2026**	At December 31, 2025
Designated as accounting hedges		
Interest rate	**$ 895**	$ 74
Not designated as accounting hedges		
Interest rate	**554**	922
Equity	**6**	2
Total	**560**	924
Total gross derivatives	**$ 1,455**	$ 998
Amounts offset		
Counterparty netting	**(661)**	(996)
Cash collateral netting	**(794)**	—
Total in Other liabilities and accrued expenses	**$ —**	$ 2
Amounts for which master netting or collateral agreements are not in place or may not be legally enforceable, included in Net amounts	**$ —**	$ 2

OTC—Over-the-counter

Notional of Derivative Contracts

	Bilateral OTC Assets	
$ in millions	**At September 30, 2026**	At December 31, 2025
Designated as accounting hedges		
Interest rate	**$ 12,628**	$ 29,374
Not designated as accounting hedges		
Interest rate	**15,015**	17,254
Equity	**572**	499
Total	**$ 15,587**	$ 17,753
Total gross derivatives	**$ 28,215**	$ 47,127

$ in millions	Bilateral OTC Liabilities At September 30, 2026	At December 31, 2025
Designated as accounting hedges		
Interest rate	**$ 44,089**	$ 28,451
Not designated as accounting hedges		
Interest rate	**17,323**	16,566
Equity	**316**	198
Total	**$ 17,639**	$ 16,764
Total gross derivatives	**$ 61,728**	$ 45,215

The notional amounts of derivative contracts generally overstate the Bank'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.

Gains (Losses) on Accounting Hedges

$ in millions	Three Months Ended September 30, 2026	2025	Nine Months Ended September 30, 2026	2025
Fair value hedges–Recognized in Interest income				
Interest rate contracts	**$ 116**	$ (37)	**$ 232**	$ (202)
Investment Securities—AFS	**(105)**	51	**(198)**	235
Fair value hedges–Recognized in Interest expense				
Interest rate contracts	**$ (389)**	$ 55	**$ (761)**	$ 70
Deposits	**160**	(18)	**347**	(32)
Borrowings	**229**	(39)	**413**	(39)
Cash flow hedges–Interest rate contracts[1]				
Recognized in OCI	**$ (191)**	$ 2	**$ (338)**	$ 2
Less: Realized gains (losses) (pre-tax) reclassified from AOCI to interest income	**(3)**	—	**(6)**	—
Net change in cash flow hedges included within AOCI	**(188)**	2	**(332)**	2

AOCI—Accumulated other comprehensive income (loss)

1. During the nine months ended September 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 at September 30, 2026, is approximately $(39) million. The maximum length of time over which forecasted cash flows are hedged is 28 months.

Accumulated Other Comprehensive Income (Loss) Rollforward

$ in millions	Cash Flow Hedges: Three Months Ended September 30, 2026	2025	Nine Months Ended September 30, 2026	2025
Beginning Balance	**$ (116)**	$ —	**$ (6)**	$ —
OCI Activity:				
Pre-Tax Gain (Loss)	**(191)**	2	**(338)**	2
Tax effect	**46**	—	**81**	—
After-tax Gain (Loss)	**(145)**	2	**(257)**	2
OCI Activity	**(145)**	2	**(257)**	2
Reclassified to Earnings:				
Pre-tax Reclass.	**3**	—	**6**	—
Tax effect	**—**	—	**(1)**	—
Reclass. After-tax	**3**	—	**5**	—
Net OCI Activity	**(142)**	2	**(252)**	2
Ending Balance	**$ (258)**	$ 2	**$ (258)**	$ 2

Fair Value Hedges–Hedged Items

$ in millions	At September 30, 2026	At December 31, 2025
Investment securities–AFS		
Amortized cost basis currently or previously hedged	**$ 12,524**	$ 14,935
Basis adjustments included in amortized cost—Outstanding hedges	**(313)**	(147)
Basis adjustments included in amortized cost—Terminated hedges	**(32)**	(10)
Deposits		
Carrying amount currently or previously hedged	**$ 22,163**	$ 21,700
Basis adjustments included in carrying amount—Outstanding hedges	**(271)**	49
Basis adjustments included in carrying amount—Terminated hedges	**24**	—
Borrowings		
Carrying amount currently or previously hedged	**$ 12,442**	$ 10,353
Basis adjustments included in carrying amount—Outstanding hedges	**(277)**	33
Basis adjustments included in carrying amount—Terminated hedges	**100**	—

13. Commitments, Contingencies and Guarantees

Commitments

$ in millions	Years to Maturity at September 30, 2026: Less than 1	1-3	3-5	Over 5	Total
Lending:					
Residential real estate	**$ —**	**$ —**	**$ —**	**$ 499**	**$ 499**
Securities-based lending and Other	**18,086**	**1,662**	**—**	**—**	**19,748**
Forward-starting secured financing receivables[1]	**10,000**	**—**	**—**	**—**	**10,000**
Investment activities	**392**	**21**	**10**	**1**	**424**
Total	**$ 28,478**	**$ 1,683**	**$ 10**	**$ 500**	**$30,671**

1. Forward-starting secured financing receivables are generally settled within three-business days.

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 13 to the financial statements in 2025 Annual Report.

Contingencies

Legal

In the normal course of business, the Bank 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 national banking association and an affiliated entity of a global diversified financial services institution. Certain of the actual or threatened legal actions may 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.

The Bank is also involved, from time to time, in other reviews, investigations and proceedings (both formal and informal) by government or other regulatory agencies regarding the Bank's business 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 Bank 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 Bank can reasonably estimate the amount of that loss or the range of loss, the Bank accrues an estimated loss by a charge to income.

The Bank'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 Bank.

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

While the Bank has not identified any proceedings or investigations that the Bank 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.

Guarantees

	At September 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]	**$ 244**	**$ 761**	**$ 1,535**	**$ 126**	**$ (88)**
Standby letters of credit	**1,098**	**22**	**—**	**—**	**—**
Whole loan sales guarantees	**17**	**—**	**1**	**175**	**—**

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 derivative contracts, see Note 12.

For more information on the nature of the obligations and related business activities for our guarantees, see Note 13 to the financial statements in the 2025 Annual Report.

14. Variable Interest Entities

The Bank is involved with various special purpose entities ("SPEs") in the normal course of business. In most cases, these entities are deemed to be VIEs.

The Bank's involvement with VIEs arises primarily from mortgage-backed and asset-backed transactions where the Bank holds securities issued by VIEs within its investment securities portfolio. Based on the above analysis, the Bank did not consolidate any VIEs at September 30, 2026 and December 31, 2025.

The following tables present information about non-consolidated VIEs in which the Bank had variable interests at September 30, 2026 and December 31, 2025. The tables include all VIEs in which the Bank had determined that its maximum exposure to loss is greater than specific thresholds or meet certain other criteria.

Non-consolidated VIEs

	At September 30, 2026		
$ in millions	MABS[1]	OSF	Other[2]
VIE assets (UPB)	**$ 28,997**	**$ 607**	**$ 927**
Maximum exposure to loss			
Debt and equity interests	**$ 2,402**	**$ 649**	**$ 808**
Total	**$ 2,402**	**$ 649**	**$ 808**
Carrying value of variable interest—Assets			
Debt and equity interests	**$ 2,402**	**$ 583**	**$ 808**
Total	**$ 2,402**	**$ 583**	**$ 808**
Additional VIE assets owned[3]			**$ 4,786**

OSF—Other structured financing
UPB—Unpaid principal balance

1. VIE assets includes U.S. agency collateralized mortgage obligations of $29.0 billion. VIE debt and equity interests includes U.S. agency collateralized mortgage obligations of $2.4 billion.
2. Amounts primarily include limited partner interests in affordable housing private equity funds.
3. 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 Bank's maximum exposure to loss generally equals the fair value of the assets owned. These assets are primarily included in Investment securities and are measured at fair value (see Note 6). The Bank does not provide additional support in these transactions through contractual facilities, guarantees or similar derivatives.

	At December 31, 2025		
$ in millions	MABS[1]	OSF	Other[2]
VIE assets (UPB)	$ 20,787	$ 602	$ 956
Maximum exposure to loss			
Debt and equity interests	$ 1,824	$ 638	$ 924
Total	$ 1,824	$ 638	$ 924
Carrying value of variable interest—Assets			
Debt and equity interests	$ 1,824	$ 589	$ 924
Total	$ 1,824	$ 589	$ 924
Additional VIE assets owned[3]			$ 4,264

1. VIE assets includes U.S. agency collateralized mortgage obligations of $20.8 billion. VIE debt and equity interests includes U.S. agency collateralized mortgage obligations of $1.8 billion.
2. Amounts primarily include limited partner interests in affordable housing private equity funds.
3. 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 Bank's maximum exposure to loss generally equals the fair value of the assets owned. These assets are primarily included in Investment securities and are measured at fair value (see Note 6). The Bank does not provide additional support in these transactions through contractual facilities, guarantees or similar derivatives.

The Bank's maximum exposure to loss often differs from the carrying value of the variable interest held by the Bank. The maximum exposure to loss is dependent on the nature of the Bank's variable interest in the VIEs and is limited to the notional amounts of certain liquidity facilities the Bank has provided to the VIEs. Liabilities issued by VIEs generally are non-recourse to the Bank.

The Bank'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.

Tax Equity Investments

The Bank invests in tax equity investment interests which entitle the Bank to a share of tax credits and other income tax benefits generated by the projects underlying the investments. For more information on such tax equity investments, see Note 2 in the 2025 Annual Report.

Tax Equity Investments under the Proportional Amortization Method

Low-income housing tax equity investments under the proportional amortization method were $0.6 billion at both September 30, 2026 and December 31, 2025. The above amounts include unfunded equity contributions of $0.2 billion and $0.3 billion at September 30, 2026 and December 31, 2025, respectively; the majority of these are expected to be funded within 5 years.

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 September 30,		Nine Months Ended September 30,	
$ in millions	**2026**	2025	**2026**	2025
Income tax credits and other income tax benefits	**$ 20**	$ 15	**$ 62**	$ 45
Proportional amortization	**(13)**	(11)	**(45)**	(35)
Net benefits	**$ 7**	$ 4	**$ 17**	$ 10

15. Regulatory Requirements

Regulatory Capital Framework and Requirements

For a discussion of the Bank's regulatory capital framework, see Note 15 to the financial statements in the 2025 Annual Report.

The Bank 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 risk-weighted assets ("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 Bank's capital conservation buffer requirement. Capital requirements require certain adjustments to, and deductions from, capital for purposes of determining these ratios.

Capital Buffer Requirement

The capital conservation buffer requirement represents the amount of CET1 capital the Bank must maintain above the minimum risk-based capital requirements in order to avoid restrictions on the Bank's ability to make capital distributions, including the payment of dividends, and to pay discretionary bonuses to executive officers. The capital conservation buffer requirement computed under the standardized approaches for calculating credit risk and market risk RWA ("Standardized Approach") and the Bank's 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 2.5% and the countercyclical capital buffer ("CCyB"). The CCyB can be set up to 2.5% but is currently set by U.S. banking agencies at zero.

Risk-Based Regulatory Capital Ratio Requirements

		At September 30, 2026 and December 31, 2025	
	Regulatory Minimum	Standardized	Advanced
Required ratios[1]			
CET1 capital ratio	**4.5 %**	**7.0 %**	**7.0 %**
Tier 1 capital ratio	**6.0 %**	**8.5 %**	**8.5 %**
Total capital ratio	**8.0 %**	**10.5 %**	**10.5 %**

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

Regulatory Capital and Capital Ratios

Risk-based capital	**Standardized**	
$ in millions	**At September 30, 2026**	At December 31, 2025
Risk-based capital		
CET1 capital	**$ 17,238**	$ 17,298
Tier 1 capital	**17,238**	17,298
Total capital	**17,631**	17,665
Total RWA	**65,839**	66,375
Risk-based capital ratios		
CET1 capital	**26.2%**	26.1%
Tier 1 capital	**26.2%**	26.1%
Total capital	**26.8%**	26.6%
Well-Capitalized Requirements[1]		
CET1 capital	**6.5%**	6.5%
Tier 1 capital	**8.0%**	8.0%
Total capital	**10.0%**	10.0%
Required Ratios[2]		
CET1 capital	**7.0%**	7.0%
Tier 1 capital	**8.5%**	8.5%
Total capital	**10.5%**	10.5%

Leveraged-based capital

$ in millions	**At September 30, 2026**	At December 31, 2025
Leveraged-based capital		
Adjusted average assets[3]	**$ 258,754**	$ 247,543
Supplementary leverage exposure[4]	**265,942**	254,197
Leveraged-based capital ratios		
Tier 1 leverage	**6.7%**	7.0%
SLR[5]	**6.5%**	6.8%
Well-Capitalized Requirements[1]		
Tier 1 leverage	**5.0%**	5.0%
SLR[5]	**N/A**	6.0%
Required Ratios[2]		
Tier 1 leverage	**4.0%**	4.0%
SLR[5]	**3.5%**	3.0%

SLR—Supplementary leverage ratio

1. The requirements to remain "well-capitalized" under the prompt corrective action ("PCA") framework.
2. Required ratios are inclusive of any buffers applicable at the date presented.
3. 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 goodwill, intangible assets, and other capital deductions.
4. Supplementary leverage exposure is the sum of Adjusted average assets used in the Tier 1 leverage ratio and other adjustments, primarily: (i) the credit equivalent amount for off-balance sheet exposures; (ii) for derivatives, potential future exposure; and (iii) the counterparty credit risk for repo-style transactions.
5. Beginning January 1, 2026, the Bank was subject to a 3.5% SLR standard (inclusive of a 0.5% enhanced supplementary leverage ratio ("eSLR") buffer based on Method 1 global systemically important banks ("G-SIBs") capital surcharge of 1.0%). The eSLR buffer applicable to U.S. G-SIBs' insured depository institutions ("IDI") subsidiaries has the same form and calibration as the bank holding company ("BHC") level standard but is capped at 1.0%, applied above the 3.0% minimum SLR requirement. In addition, beginning January 1, 2026, the Bank was no longer subject to an SLR requirement to be considered "well-capitalized" under the PCA framework.

16. Income Taxes

The Bank, through its inclusion in the return of the Parent, is routinely under examination by the Internal Revenue Service ("IRS") and other tax authorities in certain states and localities in which the Bank has significant business operations, such as New York.

The Bank 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.

17. Goodwill

The goodwill balance was $430 million at both September 30, 2026 and December 31, 2025.

The annual goodwill impairment testing at July 1, 2026 did not indicate any impairment. The Bank has not recognized any goodwill impairments to date. For more information, see Note 2 in the 2025 Annual Report.

Financial Data Supplement (Unaudited)

Morgan Stanley Private Bank, National Association

Average Balances and Interest Rates and Net Interest Income

	Three Months Ended September 30,					
	2026			2025		
$ in millions	Average Daily Balance	Interest	Annualized Average Rate	Average Daily Balance	Interest	Annualized Average Rate
Interest earning assets[1]						
Cash and cash equivalents	**$ 18,345**	**$ 168**	**3.6 %**	$ 21,303	$ 235	4.3 %
Investment securities	**39,615**	**292**	**2.9 %**	45,488	309	2.7 %
Securities purchased under agreement to resell	**4,089**	**39**	**3.8 %**	3,515	43	4.8 %
Loans and Other[2]	**193,766**	**2,272**	**4.7 %**	159,469	1,948	4.8 %
Total	**$255,815**	**$ 2,771**	**4.3 %**	$229,775	$ 2,535	4.4 %
Interest bearing liabilities[1]						
Deposits and Other[3]	**$223,979**	**$ 1,520**	**2.7 %**	$207,765	$ 1,473	2.8 %
Borrowings	**15,149**	**177**	**4.6 %**	5,416	74	5.4 %
Total	**$239,128**	**$ 1,697**	**2.8 %**	$213,181	$ 1,547	2.8 %
Net interest income and net interest rate spread		**$ 1,074**	**1.5 %**		$ 988	1.6 %

	Nine Months Ended September 30,					
	2026			2025		
$ in millions	Average Daily Balance	Interest	Annualized Average Rate	Average Daily Balance	Interest	Annualized Average Rate
Interest earning assets[1]						
Cash and cash equivalents	**$ 18,267**	**$ 500**	**3.6 %**	$ 21,191	$ 699	4.4 %
Investment securities	**40,806**	**852**	**2.8 %**	44,547	876	2.6 %
Securities purchased under agreement to resell	**5,351**	**151**	**3.8 %**	2,869	101	4.7 %
Loans and Other[4]	**187,514**	**6,531**	**4.7 %**	154,363	5,561	4.8 %
Total	**$251,938**	**$ 8,034**	**4.3 %**	$222,970	$ 7,237	4.3 %
Interest bearing liabilities[1]						
Deposits and Other[5]	**$220,434**	**$ 4,236**	**2.6 %**	$204,318	$ 4,262	2.8 %
Borrowings	**14,817**	**510**	**4.6 %**	2,258	91	5.4 %
Total	**$235,251**	**$ 4,746**	**2.7 %**	$206,576	$ 4,353	2.8 %
Net interest income and net interest rate spread		**$ 3,288**	**1.6 %**		$ 2,884	1.5 %

1. Amounts include primarily U.S. balances.
2. Interest on other assets includes the impact of loans to MSBNA, and dividends on FRB and FHLB capital stock. The average balance of other interest-earning assets was $6.1 billion and $0.4 billion for the current and prior year quarter, respectively.
3. Interest on other liabilities primarily includes the impact of secured financing from FHLB and certain hedging activities. The average balance of other interest-bearing liabilities was $4.8 billion and $0.5 billion for the current and prior year quarter, respectively.
4. Interest on other assets includes the impact of loans to MSBNA, and dividends on FRB and FHLB capital stock. The average balance of other interest-earning assets was $5.4 billion and $0.5 billion for the current and prior year period, respectively.
5. Interest on other liabilities primarily includes the impact of secured financing from FHLB and certain hedging activities. The average balance of other interest-bearing liabilities was $4.7 billion and $1.6 billion for the current and prior year period, respectively.

Ratios

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	**2026**	2025
ROE[1]	**16.7 %**	14.8 %	**16.3 %**	14.0 %

1. Return on average common equity (“ROE”) represents annualized net income as a percentage of average equity.

Glossary of Common Terms and Acronyms

Morgan Stanley Private Bank, National Association

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)
Balance sheet	Consolidated balance sheet
Bank RC	Bank's Risk Committee
BHC	Bank holding company
BRC	Risk Committee of the Board
BSA	Bank Secrecy Act
Cash flow statement	Consolidated cash flow statement
CCyB	Countercyclical capital buffer
CDs	Certificates of deposit
CECL	Current Expected Credit Losses, as calculated under the Financial Instruments—Credit Losses accounting update
CET1	Common Equity Tier 1
CMBS	Commercial mortgage-backed securities
CRE	Commercial real estate
EaR	Earnings-at-Risk
eSLR	Enhanced supplementary leverage ratio
FDIC	Federal Deposit Insurance Corporation
FDICIA	Federal Deposit Insurance Corporation Improvement Act
FFELP	Federal Family Education Loan Program
FHLB	Federal Home Loan Bank of New York
FICO	Fair Isaac Corporation
Financial statement	Consolidated financial statements
FRB	Federal Reserve Bank of New York
GDP	Gross domestic product
G-SIB	Global systemically important banks
HELOC	Home equity lines of credit
HFI	Held-for-investment
HFS	Held-for-sale
HQLA	High-quality liquid assets
HTM	Held-to-maturity
IDI	Insured Depository Institutions
Income statement	Consolidated income statement
IR	Interest rate
IRS	Internal Revenue Service
LCR	Liquidity coverage ratio, as adopted by the U.S. banking agencies
LTV	Loan-to-value
MABS	Mortgage and asset-backed securities
MSBNA	Morgan Stanley Bank, N.A.
MS&Co.	Morgan Stanley & Co. LLC
MSSB	Morgan Stanley Smith Barney LLC
N/A	Not applicable
NAV	Net asset value
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)
OFAC	Office of Foreign Assets Control
OTC	Over-the-counter
PCA	Prompt corrective action
ROE	Return on average common equity
RWA	Risk-weighted assets
SLR	Supplementary leverage ratio
S&P	Standard & Poor’s
SPE	Special purpose entity
UPB	Unpaid principal balance
U.S.	United States of America
U.S. GAAP	Accounting principles generally accepted in the United States of America
VIE	Variable interest entity

Risk Factors

For a discussion of the risk factors affecting the Bank, see “Risk Factors” in the 2025 Annual Report.