

Morgan Stanley

Net Stable Funding Ratio Disclosures Report

For the Quarterly Period Ended September 30, 2025 and

For the Quarterly Period Ended December 31, 2025

Morgan Stanley

NSFR DISCLOSURES REPORT

For the two quarterly periods ended September 30, 2025 and December 31, 2025

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1. Morgan Stanley

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

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

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

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

2. U.S. Net Stable Funding Ratio

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

A Covered Company’s ASF amount, the numerator of the NSFR, measures the stability of a Covered Company’s regulatory capital elements and liabilities. Regulatory capital elements and liabilities are each assigned an ASF factor in the NSFR rule, which represents the extent to which the capital

element or liability is considered available for use by the Covered Company over a one-year time horizon. The ASF factors are scaled from zero (least stable) to 100 percent (most stable).

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

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

3. NSFR Disclosure Requirements

The NSFR rule requires the Firm to make quantitative and qualitative disclosures related to its NSFR calculations and liquidity management practices on a semiannual basis (“NSFR Disclosures”). This report contains the Firm’s NSFR Disclosures for December 31, 2025 (the “current quarter”, or “4Q 2025”) and September 30, 2025 (the “prior quarter”, or “3Q 2025”).

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

4. NSFR Qualitative Disclosures

The main drivers of the net stable funding ratio

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

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

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

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

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

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

The Firm's increase in NSFR from 3Q 2025 to 4Q 2025 was primarily due to increased ASF (mainly increases in unsecured borrowings and increases in both sweep and brokered deposits) and was partially offset by increased RSF (mainly increases in loans to financial counterparties, non-HQLA securities, and Firm derivative initial margin posted). The Firm's decrease in NSFR from 2Q 2025 to 3Q 2025 was primarily due to increased RSF (mainly increases in loans to financial counterparties and increases in non-HQLA securities) and was partially offset by increased ASF (mainly increases in both unsecured borrowings and brokered deposits). As of December 31, 2025, and September 30, 2025, the Firm and its U.S. Bank Subsidiaries were compliant with the minimum required NSFR of 100%.

Concentration of funding sources and changes in funding structure

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

equity. Our borrowings are diversified across tenors, currencies and distribution channels, and our deposits are diversified across millions of Wealth Management business segment household relationships. We execute our secured funding program in accordance with risk management principles that include risk limits on maturity and investor concentration.

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

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

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

5. NSFR Quantitative Disclosures

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

NSFR Quantitative Disclosures
Quarter ended 12/31/2025

\$ in millions	Average Unweighted Amount					Average Weighted Amount
	Open Maturity	< 6 months	6 months to < 1 year	≥ 1 year	Perpetual	
ASF Item						
1 Capital and securities:	-	25,954	19,593	298,948	111,231	419,975
2 NSFR regulatory capital elements	-	-	-	10,500	111,231	121,731
3 Other capital elements and securities	-	25,954	19,593	288,448	-	298,244
4 Retail funding:	282,104	23,772	19,309	56,706	-	302,790
5 Stable deposits	22,653	-	-	-	-	21,520
6 Less stable deposits	109,589	977	360	72	-	99,898
7 Sweep deposits, brokered reciprocal deposits, and brokered deposits	131,016	21,104	18,634	51,753	-	168,505
8 Other retail funding	18,847	1,691	315	4,881	-	12,867
9 Wholesale funding:	161,234	56,707	17,065	24,705	-	66,882
10 Operational deposits	-	-	-	-	-	-
11 Other wholesale funding	161,234	56,707	17,065	24,705	-	66,882
Other liabilities:						
12 NSFR derivatives liability amount					4,494	
13 Total derivatives liability amount					35,535	
14 All other liabilities not included in the above categories	109,419	65,480	879	19,809	-	-
15 Total ASF¹						698,728
RSF Item						
16 Total high-quality liquid assets (HQLA)	67,938	32,286	26,415	261,083	15,214	20,635
17 Level 1 liquid assets	67,938	31,514	25,833	185,290	-	-
18 Level 2A liquid assets	-	426	553	72,009	-	10,948
19 Level 2B liquid assets	-	347	29	3,785	15,214	9,687
20 Zero percent RSF assets that are not level 1 liquid assets or loans to financial sector entities or their consolidated subsidiaries	768	3,388	10	7,393	-	-
21 Operational deposits placed at financial sector entities or their consolidated subsidiaries	7,580	-	-	-	-	3,790
22 Loans and securities:	278,723	170,354	20,879	220,034	112,162	398,679
23 Loans to financial sector entities secured by level 1 liquid assets	11,628	75,830	2,593	28	-	1,334
24 Loans to financial sector entities secured by assets other than level 1 liquid assets and unsecured loans to financial sector entities	131,104	66,112	9,086	53,368	-	87,493
25 Loans to wholesale customers or counterparties that are not financial sector entities and loans to retail customers or counterparties	134,928	27,366	9,192	52,637	-	130,485
26 Of which: With a risk weight no greater than 20 percent under Regulation Q (12 CFR part 217)	12,552	2,069	712	-	-	7,667
27 Retail mortgages	-	9	5	73,326	-	47,669
28 Of which: With a risk weight of no greater than 50 percent under Regulation Q (12 CFR part 217)	-	9	5	73,326	-	47,669
29 Securities that do not qualify as HQLA	1,062	1,037	3	40,675	112,162	131,698
Other assets:						
30 Commodities					2,780	2,363
31 Assets provided as initial margin for derivative transactions and contributions to CCPs' mutualized loss-sharing arrangements					57,356	48,753
32 NSFR derivatives asset amount					-	-
33 Total derivatives asset amount					32,188	
34 RSF for potential derivatives portfolio valuation changes					101,568	5,078
35 All other assets not included in the above categories, including nonperforming assets	2,987	6,661	1,584	37,120	43,114	87,441
36 Undrawn commitments					213,285	10,664
37 Total RSF prior to application of required stable funding adjustment percentage						577,403
38 Required stable funding adjustment percentage						100%
39 Total adjusted RSF						577,403
40 Net Stable Funding Ratio (%)²						121%

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

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

NSFR Quantitative Disclosures
Quarter ended 09/30/2025

\$ in millions	Average Unweighted Amount					Average Weighted Amount
	Open Maturity	< 6 months	6 months to < 1 year	≥ 1 year	Perpetual	
ASF Item						
1 Capital and securities:	-	24,437	16,442	288,508	109,040	405,768
2 NSFR regulatory capital elements	-	-	-	12,152	109,040	121,192
3 Other capital elements and securities	-	24,437	16,442	276,355	-	284,576
4 Retail funding:	276,046	23,813	20,855	53,080	-	296,782
5 Stable deposits	21,107	-	-	-	-	20,052
6 Less stable deposits	111,072	814	179	29	-	100,885
7 Sweep deposits, brokered reciprocal deposits, and brokered deposits	126,283	19,316	20,510	48,956	-	163,082
8 Other retail funding	17,583	3,683	166	4,095	-	12,764
9 Wholesale funding:	160,092	49,136	20,259	23,460	-	67,894
10 Operational deposits	-	-	-	-	-	-
11 Other wholesale funding	160,092	49,136	20,259	23,460	-	67,894
Other liabilities:						
12 NSFR derivatives liability amount					1,924	
13 Total derivatives liability amount					32,783	
14 All other liabilities not included in the above categories	120,227	60,503	864	19,854	-	-
15 Total ASF ¹						678,009
RSF Item						
16 Total high-quality liquid assets (HQLA)	57,233	27,077	26,685	261,682	17,993	22,983
17 Level 1 liquid assets	57,233	26,553	26,236	179,042	-	-
18 Level 2A liquid assets	-	251	419	78,820	-	11,925
19 Level 2B liquid assets	-	273	30	3,820	17,993	11,058
20 Zero percent RSF assets that are not level 1 liquid assets or loans to financial sector entities or their consolidated subsidiaries	696	3,096	58	6,495	-	-
21 Operational deposits placed at financial sector entities or their consolidated subsidiaries	6,794	-	-	-	-	3,397
22 Loans and securities:	269,468	168,836	19,561	213,038	108,766	385,774
23 Loans to financial sector entities secured by level 1 liquid assets	12,585	77,023	397	16	-	221
24 Loans to financial sector entities secured by assets other than level 1 liquid assets and unsecured loans to financial sector entities	127,104	60,866	10,336	47,209	-	80,573
25 Loans to wholesale customers or counterparties that are not financial sector entities and loans to retail customers or counterparties	128,081	30,329	8,790	54,332	-	129,783
26 Of which: With a risk weight no greater than 20 percent under Regulation Q (12 CFR part 217)	12,533	2,908	509	-	-	7,975
27 Retail mortgages	-	12	38	71,558	-	46,854
28 Of which: With a risk weight of no greater than 50 percent under Regulation Q (12 CFR part 217)	-	12	38	71,558	-	46,854
29 Securities that do not qualify as HQLA	1,698	605	0	39,923	108,766	128,343
Other assets:						
30 Commodities					2,887	2,454
31 Assets provided as initial margin for derivative transactions and contributions to CCPs' mutualized loss-sharing arrangements					55,066	46,799
32 NSFR derivatives asset amount					441	441
33 Total derivatives asset amount					31,301	
34 RSF for potential derivatives portfolio valuation changes					92,832	4,642
35 All other assets not included in the above categories, including nonperforming assets	3,333	5,442	3,278	37,153	43,384	87,569
36 Undrawn commitments					219,767	10,988
37 Total RSF prior to application of required stable funding adjustment percentage						565,048
38 Required stable funding adjustment percentage						100%
39 Total adjusted RSF						565,048
40 Net Stable Funding Ratio (%) ²						120%

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

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

6. Forward-Looking Statements

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

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

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