

Morgan Stanley France S.A.

Investment Firm Regulatory Disclosures Report

As at 31 December 2021

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1. Overview and Key Metrics

The principal activities of Morgan Stanley France S.A (“MS France”) are equity sales, the provision of investment banking services and the provision of investment management services in the local market.

MS France is authorised by the French Authority of Prudential Control and Resolution (“ACPR”).

The investment firm disclosure for MS France as at 31 December 2021 has been prepared on a solo level basis.

A Group Capital Test Waiver was granted by the ACPR in February 2022 such that MS France is not required to report on a consolidated basis for the position including its parent entities, Morgan Stanley France Holdings I S.A.S., an investment holding company, and Morgan Stanley France Holdings II, a holding company.

Key Metrics

Table 1: Key Metrics	
€MM	
MS France	Q4'21
Common Equity Tier 1 Capital (“CET1”)	187.3
Additional Tier 1 Capital (“AT1”)	-
Tier 1 Capital	187.3
Tier 2 Capital	-
Total Own Funds	187.3
Permanent Minimum Capital Requirement ¹	0.1
Fixed Overhead Requirement	26.0
Total K-Factor Requirement	0.4
<i>Risk to Market (“RtM”)</i> ¹	0.3
<i>Risk to Client (“RtC”)</i> ¹	0.1
<i>Risk to Firm (“RtF”)</i>	-
Own Funds Requirement¹	26.0
Total Capital Ratio	720%

1. Permanent Minimum Capital Requirement: €75,000, RtM: €300,264 and RtC: €74,787.

The own funds requirement is equal to the higher of: a) Permanent minimum capital requirement, b) Fixed overheads requirement or c) K-factor requirement.

The permanent minimum requirement is dependent on the activities that the entity is authorised to undertake.

The fixed overheads requirement is a proxy for the amount of own funds which must be held to allow the firm to wind-down in an orderly way. The fixed overheads requirement is equal to 25% of the Firm’s relevant expenditure.

The K factor requirements fall within the following main risk categories:

- RtM K-Factor requirement captures the impact the Firm could have on the markets in which it operates and on counterparties with which it trades.
- RtC covers risks of the Firm during its services, actions or responsibilities, which could negatively impact clients.
- RtF captures risks to an investment firm’s solvency from its trading activity and market participation and only applies to an investment firm authorized to deal on its own account for its own purposes or on behalf of a client.

Morgan Stanley Group

MS France’s ultimate parent undertaking and controlling entity is Morgan Stanley, a Delaware corporation which, together with its consolidated subsidiaries, form the Morgan Stanley Group. Morgan Stanley is a “Financial Holding Company” as defined by the Bank Holding Company Act of 1956, as amended, and is subject to regulation and oversight of the Board of Governors of the Federal Reserve System.

MS France is a wholly owned subsidiary of the Morgan Stanley Group. The information disclosed in this document is not necessarily indicative of the Morgan Stanley Group as a whole, nor is it comprehensively representative of the Morgan Stanley Group's activity in any particular region. Investors, stakeholders, creditors or other users seeking information on capital adequacy, liquidity, risk exposure and risk management policies should consult the public disclosures of Morgan Stanley Group.

Details of the latest Morgan Stanley Group Pillar 3 disclosure can be accessed at <http://www.morganstanley.com/about-us-ir/pillar-us>.

Morgan Stanley is listed on the New York Stock Exchange and is required, by the US Securities and Exchange Commission, to file public disclosures, including Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q. These can be accessed at <https://www.morganstanley.com/pub/content/msdotcom/en/about-us-ir/sec-filings>

2. Regulatory Frameworks

The new Investment Firm Regulation ("IFR") went live in the EU on the 27 June 2021. The IFR sets out a regulatory framework applicable to non-systemic investment firms (typically those less than €15bn in asset size). The IFR aims to provide a more proportionate regulatory framework for these non-systemic investment firms that can be applied consistently across the EU. Prior to the implementation of the IFR, smaller investment firms, such as MS France, were subject to the application of Basel Committee Banking Supervision ("BCBS") standards which are designed for internationally active banking groups. The BCBS standards were implemented via the Capital Requirements Directive ("CRD") and Capital Requirements Regulation ("CRR").

Under the IFR Framework, investment firms are categorized based on asset size:

Class 1 – Systemic investment firms > €15bn of assets will remain subject to the CRD and CRR, those that are >€30bn in assets size will need to also re-authorise as credit institutions.

Class 2 / Class 3 – Non-systemic investment firms <€15bn of assets are subject to IFR.

MS France is a Class 2 non-systemic investment firm.

The IFR framework applies; 1) minimum capital and liquidity requirements, 2) additional own fund requirements calculated based on additional risks as identified by the firm or relevant competent authority, and 3) for Class 2 investment firms, a public disclosures requirement.

Requirements described above are supplemented with further detail where relevant through the European Banking Authority ("EBA") Regulatory Technical Standards ("RTS") and Implementing Technical Standards ("ITS"), which include a number of common templates that are used within this disclosure.

MS France has policies and procedures in place to assess the appropriateness of its disclosure. MS France disclosures are not required to be, and have not been, audited. MS France disclosure as at 31 December 2021 is based on its current understanding of the IFR, the Investment Firm Directive ("IFD") and related legislation.

MS France does not hold, directly or indirectly, any voting rights in any company and as such no investment policy disclosures are relevant.

MS France financials are prepared in accordance with the principles defined in regulation ANC 2014-07 of 26 November 2014 relating to the financial statements of French banking sector companies. MS France financial statements can be found at https://www.journal-officiel.gouv.fr/pages/balo-annonce-unitaire/?q.id=id_annonce:20220617220291272.

3. Capital Management

MS France views capital as an important source of financial strength. It manages and monitors its capital in line with established policies and procedures and in compliance with local regulatory requirements. In line with Morgan Stanley Group capital management policies, MS France manages its capital position based upon, among other things, business opportunities, risks, capital availability and rate of return together with, internal capital policies and regulatory requirements. Therefore, in the future it may adjust its capital base in reaction to the changing needs of its businesses. The appropriate level of capital is determined at a legal entity level to safeguard that entity's ability to continue as a going concern and ensure that it meets all regulatory capital requirements. The key components of the capital management framework used by MS France include a point in time capital assessment, forward looking capital projections and stress testing. MS France conducts a capital assessment at least annually in order to meet its obligations under the IFR regulation. The MS France capital assessment is a key tool used to inform the MS France Board and the executive management on risk profile and capital adequacy. The MS France capital assessment:

- Is designed to ensure that the risks to which MS France is exposed are appropriately capitalised and risk managed, including those risks that are either not captured, or not fully captured under the minimum own funds requirement;
- Uses stress testing to size a capital buffer aimed at ensuring MS France will continue to operate above regulatory requirements under a range of severe but plausible stress scenarios; and
- Assesses capital adequacy under normal and stressed operating environments over the three year capital planning horizon to ensure that MS France maintains a capital position in line with internal pre and post stress minimum levels.

The ACPR can request to review the MS France capital assessment results and, if it deems relevant, set the minimum own funds requirement and minimum liquidity requirement, to establish the minimum level of regulatory capital and liquidity for MS France. If required, the ACPR can also set an additional own funds and/or liquidity requirements in addition to the minimum requirements, which is available to support any additional capital or liquidity need for MS France even in a stressed market environment.

In order to maintain or adjust its capital structure, MS France may pay dividends, return capital to its shareholders, issue new shares, or issue or repay AT1 capital instruments or subordinated debt.

4. Risk Management

Risk taking is an inherent part of MS France's businesses activities and effective risk management is vital to MS France's success. The MS France Risk Management Framework is embedded and operating appropriately and encompasses the risk management culture, approach and practices that support risk identification, measurement, monitoring, escalation and decision-making processes within MS France.

Risk Strategy and Appetite

The Risk Strategy sets how risks will be identified, measured, monitored and reported. The centrepiece of the Risk Strategy is the Risk Appetite Statement ("RAS"). The MS France Risk Appetite Statement articulates the aggregate level and type of risk that MS France is willing to accept in order to execute its business strategy while protecting its capital and liquidity resources. The RAS consists of both qualitative and quantitative statements. The MS France risk appetite is set by the MS France Board in conjunction with its business strategy and in consideration of its capital and liquidity resource adequacy framework. To remain adequate in a changing environment, the RAS is reviewed by the MS France Board when required (e.g., when the business strategy is amended), but at least annually.

MS France risks arise primarily from the provision of services and business processes. MS France does not have any appetite for transactions, business practices, clients or counterparties that could give rise to potentially significant franchise risk and jeopardize the firm's reputation.

The following risks are currently considered as material for MS France business activities: Operational Risk, Reputational Risk, Conduct Risk, and Compliance Risk.

In addition, further detail about the following risks is provided, although they are considered non-material for MS France current business activities: Earnings at Risk and Strategic Risk, Liquidity Risk, Credit Risk, Market Risk, Valuation Risk.

Operational Risk is defined as the risk of loss, or damage to Morgan Stanley's reputation, resulting from inadequate or failed processes or systems, from human factors or from external events (e.g., fraud, theft, legal and compliance risks, cyber-attacks or damage to physical assets, including damage caused by climate change, or the ongoing COVID-19 pandemic).

MS France sets operational risk appetite as a level of operational risk that, after considering the MS France's governance and control processes, is expected to be less than the benefits of the business strategy and not pose a material risk to MS France's capital adequacy, reputation, regulatory standing, or ability to pose a material risk to its strategy nor result in significant, detrimental impacts to markets and/or clients.

Reputational risk, also referred to as franchise risk, describes potential risks associated with the way in which MS France conducts its business and the perception of MS France by external parties including our shareholders, clients, regulators, and the public. MS France complies with the group policies to identify, escalate, and report any situation which may pose potential franchise risk, which is overseen by the EMEA Franchise Committee.

MS France has no appetite for transactions, business practices, clients or counterparties that pose a significant franchise risk and jeopardize the Firm's reputation.

Compliance Risk is defined as the risk of legal or regulatory sanction, material financial loss or damage to reputation resulting from the failure to comply with laws, rules, regulations, related self-regulatory organization standards and codes of conduct applicable to MS France's activities.

MS France seeks to comply with applicable laws, rules and regulations, including those related to financial crime. MS France has no appetite for transactions, business activities, or conduct by employees, contingents, customers or counterparties that give rise to a significant breach of MS France's compliance obligations.

Conduct Risk is defined within MS France as the risk arising from misconduct by individual employees or contingent workers (collectively, “Covered Persons”) or groups of Covered Persons or the risk arising from conduct by the firm where the outcome has an adverse impact on clients or markets.

MS France has no risk appetite for the entity or its employees and contingents to act in a manner which does not adequately consider the impact on clients, expected market users or the markets, and could result in detrimental outcomes or undermine the integrity of financial markets or damage the firm’s reputation or regulatory standing.

Due to the nature of the current business model of MS France, financial risks arising from business activities are very limited.

Earnings at Risk and Strategic Risk are defined as the risk to earnings posed by falling or volatile income (Earnings at Risk), and the broader risk of a legal entities’ business model or strategy proving inappropriate due to macroeconomic, geopolitical, industry, regulatory or other factors (Strategic Risk).

MS France aims to deliver a sustainable business model that allows for a strategic presence in its core businesses, targeting stable earnings, accumulation of profits allowing for capital accretion and expense efficiency.

Liquidity Risk is the risk that a firm, although solvent, either does not have available sufficient financial resources to enable it to meet its obligations as they fall due, or can secure such resources only at excessive cost.

MS France’s financial condition or overall soundness is adversely affected by an inability or perceived inability to meet its financial obligations in a timely manner.

MS France sets liquidity risk appetite to ensure adequate cash flows to meet its operating expenses and ensure durability of funding.

Credit Risk refers to the risk of loss arising when a borrower, counterparty or issuer does not meet its financial obligations.

MS France has a low risk appetite for losses arising from an obligor’s failure to pay monies owed. This risk includes failure of third-party debtors (fee income and other debtors), intercompany debtors and cash deposits with credit institutions.

Market Risk is the risk that a change in the level of one or more market prices, rates, indices, volatilities, correlations or other market factors, such as market liquidity, will result in losses for a position or portfolio owned by the firm.

MS France has a low risk appetite for losses arising from Market Risk. Market risk is limited to FX risk on non-EUR revenues/expenses.

Valuation Risk represents the possibility that a valuation estimate of a position measured at fair value would differ from the price in an actual transaction on the same terms at the reporting date. Valuations are predominantly derived through models, thus Valuation Risk comprises but is not limited to Model Risk.

MS France sets a valuation risk appetite to ensure sufficient capital to cover positions subject to valuation uncertainty. The risk is limited to reverse repos that cover the liquidity requirement.

Risk Policies and Processes

Morgan Stanley has established a number of policies and processes which set out the standards that govern the identification, assessment, monitoring, management, and mitigation of the various types of risk involved in its business activities. MS France has implemented a specific risk handbook to address local business and regulatory requirements where appropriate. This document is reviewed and approved by the MS France Board annually.

To execute risk oversight, MS France operates a control framework consistent with the “Three Lines of Defence” model, to create clear delineation of responsibilities between risk owners and independent risk control functions with a view to address potential conflicts of interest.

- **First Line of Defence:** Business units are responsible for managing their strategy and business activities in accordance with the entities risk appetite. Support and Control functions (e.g., Operations, Technology, HR) support strategy execution of the entity’s revenue-generating activities. Business units as well as support and control functions have primary responsibility for managing all business unit risks as well as ensuring compliance with applicable laws, rules and regulations and the entity’s policies.
- **Second Line of Defence:** Responsible for independent identification, analysis, reporting, management, and escalation of risks arising from the entity’s activities. It further sets policies and monitors adherence with these policies. This includes e.g., the Risk Division or the Compliance Division.
- **Third Line of Defence:** The Internal Audit Department is the third line of defence and is an independent of the first and second lines of defence. Internal Audit provides an independent assessment on the firms control environment and risk management processes and further reviews and tests the entities compliance with internal guidelines set for risk management and risk monitoring, as well as external rules and regulations governing the industry.

Control Framework

MS France Risk, Legal and Compliance functions have each established frameworks to identify, analyse, monitor, mitigate and report respective risks. An overview about the individual risk management frameworks is provided in the following:

Operational Risk: MS France Risk Division provides independent oversight of operational risk, assesses, measures and monitors operational risk. It works with the divisions and control groups to help ensure a transparent, consistent and comprehensive framework for managing operational risk within each area and across the Firm. Primary responsibility for the management of operational risk is with the business segments, the control groups and the business managers therein. The business managers maintain processes and controls designed to identify, assess, manage, mitigate and report operational risk. Each of the business segments has a designated operational risk coordinator. The operational risk coordinator regularly reviews operational risk issues and reports to senior management within each business or control group.

Compliance Risk: The MS France independent Compliance Division is responsible for identifying applicable Compliance risks and obligations as well as for establishing and maintaining a Compliance Risk management program for MS France. All MS France businesses and operations are subject to the Compliance Risk management program. As part of its responsibilities to establish and maintain a Compliance Risk management program, the MS France Compliance Department:

- Completes an annual Compliance Risk Assessment for MS France that identifies and assesses material Compliance Risks;
- Subsequently develops an MS France Annual Compliance Plan that prioritizes Compliance Division activities based on the Compliance Risk Assessment and other inputs, as appropriate;
- Reports to the MS France Risk Committee on compliance risk, significant regulatory compliance related developments and the progress of the Annual Compliance Plan;

Reputational Risk: Matters, which may potentially present significant Reputational risk to MS France, may require escalation to the EMEA Franchise Committee. The Franchise Committee Charter requires that items presented to the Franchise Committee for review (including business booked on MS France and business which is not booked on MS France but has a nexus to MS France) must be endorsed in advance by the relevant senior divisional and regional management and by each business unit, and by the MS France Risk Committee, as may be appropriate. The MS France Legal Division and MS France divisional management serve as escalation points for potentially significant Reputational risk matters. The Legal Division is also responsible for the management of the Franchise Committee review process.

Conduct Risk: The Global Conduct Risk Management Policy sets out a consistent global framework for managing Conduct Risk and Conduct Risk Incidents (“CRI”) including the management of Conduct Risk and CRIs within MS France. Responsibility for identifying, assessing, escalating, remediating and reporting on Conduct Risk and CRIs is shared among Business Units and Support and Control Functions. This is embedded through the Business Units’ and Support and Control Functions’ general accountability and responsibility for the conduct of their Covered Persons, which includes implementing processes and controls reasonably designed to assess, detect and deter Conduct Risk. This also includes responsibility to take reasonable steps to evaluate the underlying causes of Conduct Risk and CRIs as well as to escalate potentially material CRIs to Legal & Compliance Department and to formulate remedial actions as applicable. The MSEHSE Group Compliance Division is responsible for the design and development of a Conduct Risk Framework and for the execution of compliance-related responsibilities.

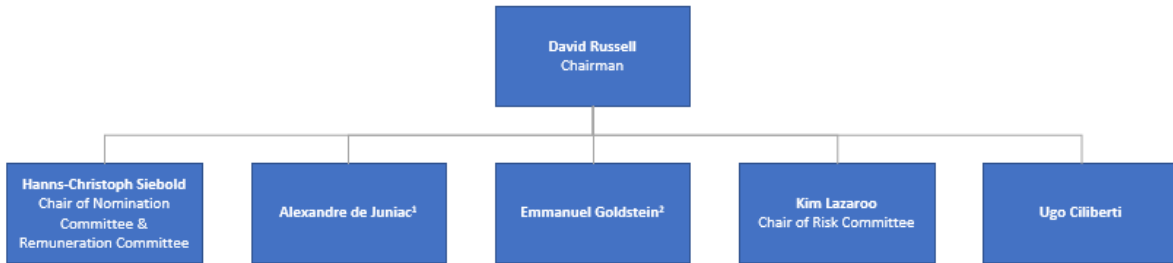
For the other risks that are not material for MS France, appropriate processes, commensurate with the size and complexity of the risks, are in place.

The MS France Board is satisfied that the risk management framework is appropriate given the strategy and risk profile of the entity. These elements are reviewed at least annually and, where appropriate, updated to reflect change in business, best practice, evolving market conditions and in response to changing regulatory requirements.

5. The MS France Board of Directors

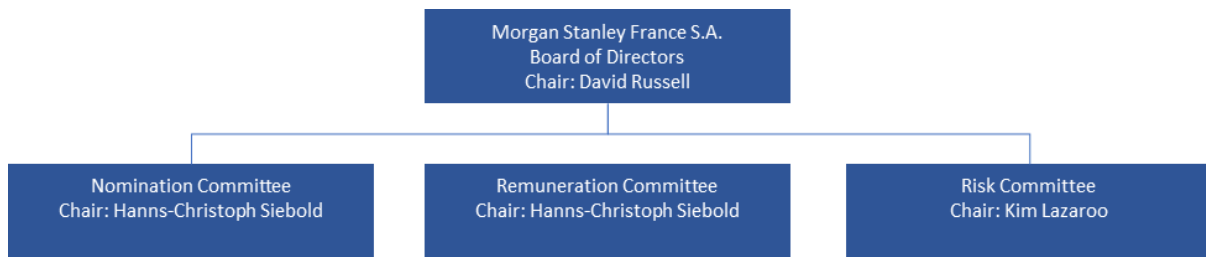
The Board & Board Committees

At the 31 December 2021, the MS France Board was composed of six directors and had established three Board Committees, as detailed below.



1. Alexandre de Juniac was appointed as Director on 7th July 2021.

2. Emmanuel Goldstein was appointed as Director and Chief Executive Officer on 30th March 2021.



The MS France Risk Committee is appointed by the MS France Board to assist and provide guidance to the MS France Board on its oversight of the management of financial and non-financial risks, including: (i) risk strategy and appetite; (ii) risk identification and management; (iii) risk governance framework and policies; (iv) measurement of risk and risk tolerance levels and limits and (v) financial resource management. The MS France Risk Committee met 4 times in 2021.

The MS France Remuneration Committee is appointed by the MS France Board to (i) assist the Board in overseeing the implementation of remuneration policies and practices applicable to MS France and (ii) oversee compliance by the MS France with applicable EU and UK remuneration rules, statements and guidance.

The MS France Nomination and Governance Committee is appointed by the MS France Board to assist and provide guidance in relation to (i) the recruitment of boards members; and (ii) the assessment of the performance of the MS France Board and committees.

Appointments to the Board and Diversity

The MS France Board recognises the importance and benefits of diversity both within business operations and at a board level. All appointments to the MS France Board and its Committees are made on merit, in the context of the skills and experience that the MS France Board as a whole requires to be effective, with due regard given to the benefits of diversity. When assessing the composition of the MS France Board and recommending new directors, the MS France Nomination Committee considers the benefits of diversity, including gender diversity.

The MS France Board aspires to meet or exceed a diversity target of 25% female representation. As at 31st December 2021, the MS France Board had 17% female representation.

Directorships held by members of the Board

Figure 1 : MS France: Number of Directorships

	Number of directorships as at 31 December 2021	Number of Directorships adjusted for Article 91(4) of Directive 2013/36/EU
David Russell	10	2
Ugo Ciliberti	4	1
Emmanuel Goldstein	3	1
Alexandre de Juniac	2	2
Kim Lazaroo	5	1
Hanns Christoph Siebold	5	1

6. Capital Resources

The capital resources of MS France are set out in Table 2. All capital resources included are of standard form and the main terms and conditions of the capital instruments are disclosed in Table 4.

Table 2: EU IF CC1.01 – Composition of regulatory own funds

MS France	Amounts	Source based on reference numbers / letters of the balance sheet in the audited financial statements
Own Funds	187	
Tier 1 Capital	187	
Common Equity Tier 1 Capital	187	
Paid up capital instruments	21	A
Share premium	177	B
Retained earnings	-	C
Accumulated other comprehensive income	-	
Other reserves	2	D
Minority interest given recognition in CET1 capital	-	
Other Funds	-	
(-) Total deductions from Common Equity Tier 1	(13)	
(-) Own CET1 instruments	-	
(-) Direct holdings of CET1 instruments	-	
(-) Indirect holdings of CET1 instruments	-	
(-) Synthetic holdings of CET1 instruments	-	
(-) Losses for the current financial year	-	
(-) Goodwill	-	
(-) Other intangible assets	-	
(-) Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities	(13)	E
(-) Qualifying holding outside the financial sector which exceeds 15% of own funds	-	
(-) Total qualifying holdings in undertaking other than financial sector entities which exceeds 60% of its own funds	-	
(-) CET1 instruments of financial sector entities where the instrument does not have a significant investment	-	
(-) CET1 instruments of financial sector entities where the instrument has a significant investment	-	
(-) Defined benefit pension fund assets	-	
(-) Other deductions	-	
Additional Tier 1 Capital	-	
Paid up capital instruments	-	
Share Premium	-	
(-) Total deductions from Additional Tier 1	-	
(-) Own AT1 instruments	-	
(-) Direct holdings of AT1 instruments	-	
(-) Indirect holdings of AT1 instruments	-	
(-) Synthetic holdings of AT1 instruments	-	
(-) AT1 instruments of financial sector entities where the instrument does not have a significant investment	-	
(-) AT1 instruments of financial sector entities where the instrument has a significant investment	-	
Tier 2 Capital	-	
Paid up capital instruments	-	
Share Premium	-	
Subordinated Loans	-	
(-) Total deductions from Tier 2	-	
(-) Own T2 instruments	-	
(-) Direct holdings of T2 instruments	-	
(-) Indirect holdings of T2 instruments	-	
(-) Synthetic holdings of T2 instruments	-	
(-) T2 instruments of financial sector entities where the instrument does not have a significant investment	-	
(-) T2 instruments of financial sector entities where the instrument has a significant investment	-	

Own Funds of MS France are based on audited financial statements. The Accounting and Regulatory scope are the same. Table 3 provides a reconciliation of regulatory own funds to balance sheet information.

Table 3: EU IF CC2 – Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements

€MM	a Balance sheet as in published / audited financial statements	c Cross reference to EU IF CC1.01
As at period end		
Assets – Breakdown by asset classes according to the balance sheet in the published / audited financial statements		
Cash in hand and balances with central banks and post office banks	74	
Treasury bills and similar paper	-	
Loans and advances to credit institutions	10	
Loans and advances to customers	310	
Bonds and other fixed-income securities	-	
Equities and other variable-yield securities	-	
Equity interests and other long-term investments	-	
Investments in affiliates	-	
Intangible assets	-	
Property, plant and equipment	1	
Subscribed capital unpaid	-	
Own shares	-	
Trading and settlement accounts	-	
Other assets	51	
Of which: Deferred Tax Assets	13	E
Prepayments and accrued income	1	
Total Assets	448	
Liabilities – Breakdown by liability classes according to the balance sheet in the published / audited financial statements		
Central banks, post office banks	-	
Amounts owed to credit institutions	-	
Amounts owed to customers	62	
Tradable securities	-	
Other liabilities	80	
Accruals and deferred income	-	
Trading and settlement accounts	-	
Provisions for liabilities and charges	39	
Subordinated liabilities	-	
Total Liabilities	181	
Shareholder's Equity		
Capital and reserves	266	
Share Capital	21	
Of which: Fully Paid-Up Capital Instruments	21	A
Share premium	177	B
Reserves	2	D
Revaluation reserves	-	
Statutory provisions and investment subsidies	-	
Retained earnings	-	C
Net profit for the year	66	

7. Capital Instruments Template

Table 4 provides a description of the main features of the capital instruments issued by MS France as of 31 December 2021.

Table 4: EU IF CCA: Own funds: main features of own instruments issued by the firm	
DESCRIPTION	COMMON EQUITY TIER 1 A
Issuer	MS France S.A.
Unique identifier (e.g., CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
Governing law(s) of the instrument	French law
Eligible at solo/(sub-)consolidated/solo&(sub-)consolidated	Solo and (Sub-) Consolidated
Instrument type	Ordinary Shares
Amount recognised in regulatory capital (€MM)	EUR 198MM
Currency of Issuance and Nominal amount of Instrument	€15 per ordinary share
Issue price	N/A
Redemption price	N/A
Accounting classification	Shareholders' Equity
Original date of issuance	30/09/1998
Perpetual or dated	Perpetual
Original maturity date	No maturity
Issuer call subject to prior supervisory approval	N/A
Optional call date, contingent call dates and redemption amount	N/A
Subsequent call dates, if applicable	N/A
Fixed or floating dividend / coupon	Floating
Coupon rate and any related index	N/A
Existence of a dividend stopper	No
Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully Discretionary
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully Discretionary
Existence of step up or other incentive to redeem	No
Noncumulative or cumulative	Noncumulative
Convertible or non-convertible	Nonconvertible
If convertible, conversion trigger(s)	N/A
If convertible, fully or partially	N/A
If convertible, conversion rate	N/A
If convertible, mandatory or optional conversion	N/A
If convertible, specify instrument type convertible into	N/A
If convertible, specify issuer of instrument it converts into	N/A
Write-down features	No
If write-down, write-down trigger(s)	N/A
If write-down, full or partial	N/A
If write-down, permanent or temporary	N/A
If temporary write-down, description of write-down mechanism	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Other liabilities
Non-compliant transitioned features	No
If yes, specify non-compliant features	N/A

8. Appendix I: IFR Article Reference Mapping

CRR Ref	High Level Summary	Compliance Reference
Article 46 Scope		
46 (1)	Investment firms that are not small and non-interconnected investment shall publicly disclose on the same date as they publish their annual financial statements.	MS France will publish post AGM on same date as the Financial statements.
46 (2)	Investment firms that are not small and non-interconnected investment which issue Additional Tier 1 instruments shall publicly disclose articles 47, 49 and 50.	Not Applicable
46 (3)	If no longer a small and non-interconnected investment shall publicly disclose the year following the year ceased to meet those conditions.	Not Applicable
46 (4)	Investment firms shall disclose in one medium or location and if similar information disclosed, a reference in required in both media.	MS France will publish the Pillar 3 disclosure on the local France office location website with the existing Remuneration requirements.
Article 47 Risk management objectives and policies		
47	Investment firms shall disclose their risk management objectives and policies including strategies and process to manage those risk together with a concise risk statement approved by the firms management body describing the overall risk profile	Section 4: Risk Management "Risk Strategy and Appetite" "Risk Policies and Processes" "Control Framework"
Article 48 Governance		
48	Disclose information regarding internal governance arrangements:	
48 (a)	The number of directorships held by members of the management body.	Section 5: Directorships held by the Board and the diversity of the board Figure 3: Ms France Directors: Number of Directorships
48 (b)	The policy on diversity with regard to the selection of members of the management body, its objectives, relevant targets, and the extent to which those objectives and targets have been achieved.	Section 5: Directorships held by the Board and the diversity of the board "Appointments to the MS France Board and Diversity"
48 (c)	Whether or not the investment firm has set up a separate risk committee and the number of times the risk committee has met annually.	Section 4: Risk Management "MS France Board Committees"
Article 49 Own funds		
49 (1)	Disclose information on:	
49 (1) a	A full reconciliation of own funds of the investment firm and the balance sheet in the audited financial statements of the investment firm.	Section 6: Capital Resources Table 3: EU IF CC2 – Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements
49 (1) b	The main features of the Common Equity Tier 1 and Additional Tier 1 instruments and Tier 2 instruments issued by the investment firm.	Section 7: Capital Instruments Template Table 4: EU IF CCA: Own funds: main features of own instruments issued by the firm
49 (1) c	The restrictions applied to the calculation of own funds in accordance with this Regulation and the instruments and deductions to which those restrictions apply.	Section 6: Capital Resources Table 2: EU IF CC1.01 – Composition of regulatory own funds
49 (2)	EBA shall develop draft implementing technical standards to specify templates for disclosure under points (a), (b) and (c) of paragraph 1.	Refers to defined template formats required for a, b and c.
Article 50 Own funds requirements		
50 (1)	Disclose information on:	
50 (1) a	A summary of the investment firm's approach to assessing the adequacy of its internal capital to support current and future activities.	Section 3: Capital Management
50 (1) b	Upon a request from the competent authority, the result of the investment firm's ICAAP including the composition of the additional own funds based on the supervisory review process.	To be provided on request.
50 (1) c	The K-factor requirements calculated, in aggregate form for RtM, RtF, and RtC, based on the sum of the applicable K-factors.	Section 1: Overview and Key Metrics Table 1: Key Metrics
50 (1) d	The fixed overheads requirement.	Section 1: Overview and Key Metrics Table 1: Key Metrics
Article 51 Remuneration policy and practises – Not applicable for 2021. To be completed under CRR rules- https://www.morganstanley.com/about-us/global-offices/europe-middle-east-africa/france/		
Article 52 Investment policy – Not applicable for 2021		
Article 53 Environmental, social and governance risks – Not applicable for 2021		

9. Appendix II: Abbreviations

Term	Definition
ACPR	Authority of Prudential Control and Resolution
AT1	Additional Tier 1 Capital
BCBS	Basel Committee on Banking Supervision
CET1	Common Equity Tier 1 Capital
CRD	Capital Requirements Directive
CRI	Conduct Risk Incidents
CRR	Capital Requirements Regulation
EBA	European Banking Authority
IFD	Investment Firm Directive
IFPR	Investment Firms Prudential Regime
IFR	Investment Firm Regulation
ITS	Implementing Technical Standards
MM	Millions
MS France	Morgan Stanley France S.A.
RAS	Risk Appetite Statement
RtC	Risk to Capital
RtF	Risk to Firm
RtM	Risk to Market
RTS	Regulatory Technical Standards