

Morgan Stanley

MORGAN STANLEY

(incorporated under the laws of the State of Delaware in the United States of America)

MORGAN STANLEY & CO. INTERNATIONAL plc

(incorporated with limited liability in England and Wales)

MORGAN STANLEY B.V.

(incorporated with limited liability in The Netherlands)

and

MORGAN STANLEY FINANCE LLC

(formed under the laws of the State of Delaware in the United States of America)

This registration document (including all documents incorporated by reference herein, the "**Registration Document**") has been approved by the Luxembourg Commission de Surveillance du Secteur Financier (the "**CSSF**"), which is the Luxembourg competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"), as a registration document issued in compliance with the Prospectus Regulation for the purposes of providing information during the period of twelve months after the date of approval of this Registration Document with regard to Morgan Stanley ("**Morgan Stanley**"), Morgan Stanley & Co. International plc ("**MSI plc**"), Morgan Stanley B.V. ("**MSBV**") and Morgan Stanley Finance LLC ("**MSFL**") as issuers or obligors in respect of debt or derivative securities. This Registration Document is valid to 9 December 2023. The CSSF only approves this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Pursuant to Article 6(4) of the Luxembourg Law on Prospectuses, the CSSF gives no undertaking as to the economic and financial soundness of any transaction or the quality or solvency of the issuers. Such approval should not be considered as an endorsement of the issuers that are the subject of this Registration Document. This Registration Document is valid for a period of twelve months from the date of approval. For the avoidance of doubt, the issuers shall have no obligation to supplement this Registration Document in the event of significant new factors, material mistakes or material inaccuracies when this Registration Document is no longer valid.

Prospective investors should consider the factors relating to Morgan Stanley, MSI plc, MSBV and MSFL described in the section entitled "**Risk Factors**", commencing on page 1 of this Registration Document.

MORGAN STANLEY

9 December 2022

Important Notices

Each of the Responsible Persons accept responsibility for the information contained in the relevant document and declares that, to the best of its knowledge, the information contained in the relevant document is in accordance with the facts and makes no omission likely to affect the import of such information. "Responsible Person" means:

- (i) Morgan Stanley with regard to the Morgan Stanley registration document (the "Morgan Stanley Registration Document") which comprises this Registration Document with the exception of:
 - a. Items 6-14 in the section entitled "*Information Incorporated by Reference*" set out at pages 20-31; and
 - b. the sections entitled "*Description of Morgan Stanley & Co. International plc*" set out at pages 55-60; "*Description of Morgan Stanley B.V.*" set out at pages 61-64; and "*Description of Morgan Stanley Finance LLC*" set out at pages 65-67;
- (ii) MSI plc in relation to the MSI plc registration document (the "MSI plc Registration Document") which comprises this Registration Document with the exception of:
 - a. Items 1-6 and 9-14 in the section entitled "*Information Incorporated by Reference*" set out at pages 20-31; and
 - b. the sections entitled "*Description of Morgan Stanley*" set out at pages 33-54; "*Description of Morgan Stanley B.V.*" set out at pages 61-64; "*Description of Morgan Stanley Finance LLC*" set out at pages 65-67; and "*Subsidiaries of Morgan Stanley as of 31 December 2021*" set out on page 67;
- (iii) MSBV with regard to the MSBV registration document (the "MSBV Registration Document") which comprises this Registration Document with the exception of:
 - a. Items 1-8 and 12-14 in the section entitled "*Information Incorporated by Reference*" set out at pages 20-31; and
 - b. the sections entitled "*Description of Morgan Stanley*" set out at pages 33-54; "*Description of Morgan Stanley & Co. International plc*" set out at pages 55-60; "*Description of Morgan Stanley Finance LLC*" set out at pages 65-67; and "*Subsidiaries of Morgan Stanley as of 31 December 2021*" set out on page 67;
- (iv) MSFL with regard to the MSFL registration document (the "MSFL Registration Document") which comprises this Registration Document with the exception of:
 - a. Items 1-11 in the section entitled "*Information Incorporated by Reference*" set out at pages 20-31; and
 - b. the sections entitled "*Description of Morgan Stanley*" set out at pages 33-54; "*Description of Morgan Stanley & Co. International plc*" set out at pages 55-60; "*Description of Morgan Stanley B.V.*" set out at pages 61-64; and "*Subsidiaries of Morgan Stanley as of 31 December 2021*" set out on page 67.

The distribution of this Registration Document and the offering, sale and delivery of debt or derivative securities in certain jurisdictions may be restricted by law. Persons into whose possession this Registration Document comes are required by Morgan Stanley, MSI plc, MSBV and MSFL to inform themselves about and to observe any such restrictions.

This Registration Document is intended to form part of a prospectus prepared in compliance with the Prospectus Regulation and should be read and construed with any supplement hereto together with all documents incorporated by reference into it, the other parts of such relevant prospectus or, as the case may be, securities note containing disclosure in relation to any issue of debt or derivative securities by any of Morgan Stanley, MSI plc, MSBV or MSFL (or for which any of Morgan Stanley, MSI plc, MSBV or MSFL is an obligor) and, where appropriate, the final terms containing information with respect to such debt or derivative securities.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Registration Document and, if given or made, such information or representation must not be relied upon as having been authorised by any of Morgan Stanley, MSI plc, MSBV or MSFL, any trustee or any dealer appointed in relation to any issue of debt or derivative securities by Morgan Stanley, MSI plc, MSBV or MSFL or for which any of Morgan Stanley, MSI plc, MSBV or MSFL is an obligor.

This Registration Document does not constitute an offer of or an invitation to subscribe for or purchase any debt or derivative securities and should not be considered as a recommendation by any of Morgan Stanley, MSI plc, MSBV or MSFL that any recipient of this Registration Document should subscribe for or purchase any debt or derivative securities. Each recipient of this Registration Document will be taken to have made its own investigation and appraisal of Morgan Stanley, MSI plc, MSBV and MSFL and of the particular terms of any offered debt or derivative securities.

The distribution of this Registration Document and the offer or sale of securities issued by any of Morgan Stanley, MSI plc, MSBV or MSFL (or in relation to which Morgan Stanley, MSI plc, MSBV or MSFL is an obligor) may be restricted by law in certain jurisdictions. Persons into whose possession this Registration Document or any document incorporated by reference herein or any securities issued by Morgan Stanley, MSI plc, MSBV or MSFL (or for which Morgan Stanley, MSI plc, MSBV or MSFL is an obligor) come must inform themselves about, and observe, any such restrictions. For a description of certain restrictions on offers, sales and deliveries of securities issued by any of Morgan Stanley, MSI plc, MSBV or MSFL (or for which Morgan Stanley, MSI plc, MSBV or MSFL is an obligor) and on the distribution of this Registration Document, including any document incorporated herein by reference, see the applicable description of arrangements relating to subscription and sale of the relevant debt or derivative securities in the relevant prospectus or securities note.

All references in this Registration Document to "Sterling" and "£" are to the lawful currency of the United Kingdom, all references to "U.S. dollars," "U.S.\$" and "\$" are to the lawful currency of the United States of America (the "U.S.") and all references to "euro", "€" and "EUR" are to the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended.

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RISK FACTORS

Prospective investors should read the entire Registration Document. Words and expressions defined elsewhere in this Registration Document have the same meanings in this section.

Prospective investors should consider the factors described below and consult with their own professional advisers if they consider it necessary. Each of Morgan Stanley, MSI plc, MSBV and MSFL believes that the factors described below represent the material risks specific to each of Morgan Stanley, MSI plc, MSBV and MSFL in relation to their obligations under debt or derivative securities.

Risks relating to the financial situation of Morgan Stanley

Morgan Stanley faces a number of risks in relation to its financial situation, including market risk, credit risk and liquidity risk.

Market risk refers to 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 Morgan Stanley.

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

Liquidity risk refers to the risk that Morgan Stanley will be unable to finance its operations due to a loss of access to the capital markets or difficulty in liquidating its assets. Liquidity risk also encompasses Morgan Stanley's ability (or perceived ability) to meet its financial obligations without experiencing significant business disruption or reputational damage that may threaten its viability as a going concern as well as the associated funding risks triggered by the market or idiosyncratic stress events that may negatively affect Morgan Stanley's liquidity and may impact its ability to raise new funding.

Morgan Stanley's results of operations may be adversely affected by the COVID-19 pandemic.

Although the global economy has begun to recover from the coronavirus ("COVID-19") pandemic, as many health and safety restrictions have been lifted and vaccine distribution continues to increase, certain adverse consequences of the pandemic continue to impact the global economy and may persist for some time, including labour shortages and disruptions of global supply chains. The growth in economic activity and demand for goods and services, alongside labour shortages and supply chain complications, has also contributed to rising inflationary pressures. Should these ongoing effects of the pandemic continue for an extended period or worsen, Morgan Stanley could experience reduced client activity and demand for Morgan Stanley's products and services.

Morgan Stanley continues to be fully operational and, recognizing that local conditions vary for Morgan Stanley's offices around the world and that the trajectory of the virus continues to be uncertain, Morgan Stanley's employees are able to work from home and in Morgan Stanley's offices as deemed necessary. If significant portions of Morgan Stanley's workforce, including key personnel, are unable to work effectively because of illness, government actions, or other restrictions in connection with the pandemic, the impact of the pandemic on Morgan Stanley's businesses could be exacerbated.

The extent to which the consequences of the COVID-19 pandemic affect Morgan Stanley's businesses, results of operations and financial condition, as well as Morgan Stanley's regulatory capital and liquidity ratios and Morgan Stanley's ability to take capital actions, will depend on future developments that remain uncertain, including the rate of distribution and administration of vaccines globally, the severity and duration of any resurgence of COVID-19 variants, future actions taken by governmental authorities, central banks and other third parties in response to the pandemic, and the effects on Morgan Stanley's customers, counterparties, employees and third-party service providers. Moreover, the effects of the COVID-19 pandemic will heighten many of the other risks described throughout this section.

Morgan Stanley's results of operations may be materially affected by market fluctuations and by global and economic conditions and other factors, including changes in asset values.

Morgan Stanley's results of operations have been in the past and may, in the future, be materially affected by fluctuations in the global financial markets, including the level and volatility of equity, fixed income and commodity prices, the level and term structure of interest rates, inflation and currency values, and the

level of other market indices, which may be driven by economic conditions, the effects of the COVID-19 pandemic, or other widespread events such as natural disasters, climate-related incidents or acts of war or aggression, changes to global trade policies and the implementation of tariffs or protectionist trade policies and other factors.

The results of Morgan Stanley's Institutional Securities business segment, particularly results relating to Morgan Stanley's involvement in primary and secondary markets for all types of financial products, are subject to substantial market fluctuations due to a variety of factors that Morgan Stanley cannot control or predict with great certainty. These fluctuations impact results by causing variations in business flows and activity and in the fair value of securities and other financial products. Fluctuations also occur due to the level of global market activity, which, among other things, affects the size, number and timing of investment banking client assignments and transactions and the realisation of returns from Morgan Stanley's principal investments.

Periods of unfavourable market or economic conditions may have adverse impacts on the level of individual investor participation in the global markets and/or the level of client assets and, in very low interest rate environments, the level of net interest income, which would negatively impact the results of Morgan Stanley's Wealth Management business segment.

Substantial market fluctuations could also cause variations in the value of Morgan Stanley's investments in its funds, the flow of investment capital into or from assets under management or supervision and the way customers allocate capital among money market equity, fixed income or other investment alternatives, which could negatively impact Morgan Stanley's Investment Management business segment.

The value of Morgan Stanley's financial instruments may be materially affected by market fluctuations. Market volatility, illiquid market conditions and disruptions in the credit markets may make it extremely difficult to value and monetise certain of Morgan Stanley's financial instruments, particularly during periods of market displacement. Subsequent valuations in future periods, in light of factors then prevailing, may result in significant changes in the value of these instruments and may adversely impact historical or prospective fees and performance-based income (also known as incentive fees, which include carried interest) in respect of certain businesses. In addition, at the time of any sales and settlements of these financial instruments, the price Morgan Stanley ultimately realises will depend on the demand and liquidity in the market at that time and may be materially lower than their current fair value. Any of these factors could cause a decline in the value of Morgan Stanley's financial instruments, which may have an adverse effect on its results of operations in future periods.

In addition, financial markets are susceptible to severe events evidenced by rapid depreciation in asset values accompanied by a reduction in asset liquidity. Under these extreme conditions, hedging and other risk management strategies may not be as effective at mitigating trading losses as they would be under more normal market conditions. Moreover, under these conditions market participants are particularly exposed to trading strategies employed by many market participants simultaneously and on a large scale. Morgan Stanley's risk management and monitoring processes seek to quantify and mitigate risk to more extreme market moves. However, severe market events have historically been difficult to predict and Morgan Stanley could realise significant losses if extreme market events were to occur.

Holding large and concentrated positions may expose Morgan Stanley to losses.

Concentration of risk may reduce revenues or result in losses in Morgan Stanley's market-making, investing, underwriting (including block trading) and lending businesses (including margin lending) in the event of unfavourable market movements or when market conditions are more favourable for its competitors. Morgan Stanley commits substantial amounts of capital to these businesses, which often results in its taking large positions in the securities of, or making large loans to, a particular issuer or issuers in a particular industry, country or region.

Morgan Stanley is exposed to the risk that third parties that are indebted to it will not perform their obligations.

Morgan Stanley incurs significant credit risk exposure through its Institutional Securities business segment. This risk may arise from a variety of business activities, including, but not limited to: extending credit to clients through various lending commitments; entering into swap or other derivative contracts under which counterparties have obligations to make payments to Morgan Stanley; providing short- or long-term

funding that is secured by physical or financial collateral whose value may at times be insufficient to fully cover the loan repayment amount; posting margin and/or collateral and other commitments to clearing houses, clearing agencies, exchanges, banks, securities firms and other financial counterparties; and investing and trading in securities and loan pools whereby the value of these assets may fluctuate based on realised or expected defaults on the underlying obligations or loans.

Morgan Stanley also incurs credit risk in its Wealth Management business segment lending to mainly individual investors, including, but not limited to, margin- and securities-based loans collateralised by securities, residential mortgage loans and home equity lines of credit.

Morgan Stanley's valuations related to, and reserves for losses on, credit exposures rely on complex models, estimates, and subjective judgments about the future. While Morgan Stanley believes current valuations and reserves adequately address Morgan Stanley's perceived levels of risk, future economic conditions that differ from or are more severe than forecast, inaccurate models or assumptions, or external factors such as natural disasters, geopolitical events or the ongoing COVID-19 pandemic, could lead to inaccurate measurement of or deterioration of credit quality of its borrowers and counterparties or the value of collateral and result in unexpected losses. Morgan Stanley may incur higher than anticipated credit losses as a result of (i) disputes with counterparties over the valuation of collateral or (ii) actions taken by other lenders that may negatively impact the valuation of collateral. In cases where Morgan Stanley foreclose on collateral, sudden declines in the value or liquidity of collateral may result in significant losses to us despite Morgan Stanley's (i) credit monitoring; (ii) over-collateralization; (iii) ability to call for additional collateral; or (iv) ability to force repayment of the underlying obligation, especially where there is a single type of collateral supporting the obligation. In addition, in the longer term, climate change may have a negative impact on the financial condition of Morgan Stanley's clients, which may decrease revenues from those clients and increase the credit risk associated with loans and other credit exposures to those clients.

Certain of Morgan Stanley's credit exposures may be concentrated by counterparty, product, industry or country. Although Morgan Stanley's models and estimates account for correlations among related types of exposures, a change in the market environment for a concentrated product or an external factor impacting a concentrated counterparty, industry or country may result in credit losses in excess of amounts forecast. Concentrations of credit risk are managed through Morgan Stanley's comprehensive and global Credit Limits Framework.

In addition, as a clearing member of several central counterparties, Morgan Stanley is responsible for the defaults or misconduct of Morgan Stanley's customers and could incur financial losses in the event of default by other clearing members. Although Morgan Stanley regularly reviews its credit exposures, default risk may arise from events or circumstances that are difficult to detect or foresee.

A default by a large financial institution could adversely affect financial markets.

The commercial soundness of many financial institutions may be closely interrelated as a result of credit, trading, clearing or other relationships among the institutions. Increased centralisation of trading activities through particular clearing houses, central agents or exchanges as required by provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**") may increase Morgan Stanley's concentration of risk with respect to these entities. As a result, concerns about, or a default or threatened default by, one institution could lead to significant market-wide liquidity and credit problems, losses or defaults by other institutions. This is sometimes referred to as "systemic risk" and may adversely affect financial intermediaries, such as clearing houses, clearing agencies, exchanges, banks and securities firms, with which Morgan Stanley interacts on a daily basis and, therefore, could adversely affect Morgan Stanley.

Liquidity is essential to Morgan Stanley's businesses and Morgan Stanley relies on external sources to finance a significant portion of its operations.

Liquidity is essential to Morgan Stanley's businesses. Morgan Stanley's liquidity could be negatively affected by its inability to raise funding in the long-term or short-term debt capital markets or its inability to access the secured lending markets, or unanticipated outflows of cash or collateral by customers or clients. Factors that Morgan Stanley cannot control, such as disruption of the financial markets or negative views about the financial services industry generally, including concerns regarding fiscal matters in the U.S. and other geographic areas, could impair Morgan Stanley's ability to raise funding. In addition, Morgan Stanley's ability to raise funding could be impaired if investors or lenders develop a negative perception of Morgan Stanley's long-term or short-term financial prospects due to factors such as an

incurrence of large trading losses, a downgrade by the rating agencies, a decline in the level of its business activity, or if regulatory authorities take significant action against Morgan Stanley or its industry, or if Morgan Stanley discovers significant employee misconduct or illegal activity. If Morgan Stanley is unable to raise funding using the methods described above, it would likely need to finance or liquidate unencumbered assets, such as its investment portfolios or trading assets, to meet maturing liabilities or other obligations. Morgan Stanley may be unable to sell some of its assets, or it may have to sell assets at a discount to market value, either of which could adversely affect Morgan Stanley's results of operations, cash flows and financial condition.

Morgan Stanley's borrowing costs and access to the debt capital markets depend on its credit ratings.

The cost and availability of unsecured financing generally are impacted by Morgan Stanley's long-term and short-term credit ratings. The rating agencies continue to monitor certain company-specific and industry-wide factors that are important to the determination of Morgan Stanley's credit ratings. These include governance, capital adequacy, the level and quality of earnings, liquidity and funding, risk appetite and management, asset quality, strategic direction, business mix regulatory or legislative changes, macroeconomic environment and perceived levels of support, and it is possible that the rating agencies could downgrade Morgan Stanley's ratings and those of similar institutions.

Morgan Stanley's credit ratings also can have an adverse impact on certain trading revenues, particularly in those businesses where longer term counterparty performance is a key consideration, such as over-the-counter ("OTC") and other derivative transactions, including credit derivatives and interest rate swaps. In connection with certain OTC trading agreements and certain other agreements associated with Morgan Stanley's Institutional Securities business segment, Morgan Stanley may be required to provide additional collateral to, or immediately settle any outstanding liability balance with, certain counterparties in the event of a credit rating downgrade.

Termination of Morgan Stanley's trading and other agreements could cause Morgan Stanley to sustain losses and impair its liquidity by requiring it to find other sources of financing or to make significant payments in the form of cash or securities. The additional collateral or termination payments that may occur in the event of a future credit rating downgrade vary by contract and can be based on ratings by either or both of Moody's Investors Service, Inc. ("**Moody's**") and S&P Global Ratings ("**S&P**").

Morgan Stanley is a holding company and depends on payments from its subsidiaries.

Morgan Stanley has no operations and depends on dividends, distributions and other payments from its subsidiaries to fund dividend payments and to fund all payments on its obligations, including debt obligations. Regulatory restrictions, tax restrictions or elections and other legal restrictions may limit Morgan Stanley's ability to transfer funds freely, either to or from its subsidiaries. In particular, many of Morgan Stanley's subsidiaries, including its bank and broker-dealer subsidiaries, are subject to laws, regulations and self-regulatory organisation rules that limit, as well as authorise regulatory bodies to block or reduce the flow of funds to Morgan Stanley, or that prohibit such transfers or dividends altogether in certain circumstances, including steps to "ring fence" entities by regulators outside of the U.S. to protect clients and creditors of such entities in the event of financial difficulties involving such entities. These laws, regulations and rules may hinder Morgan Stanley's ability to access funds that it may need to make payments on its obligations. Furthermore, as a bank holding company, Morgan Stanley may become subject to a prohibition or to limitations on its ability to pay dividends. The Board of Governors of the Federal Reserve System (the "**Federal Reserve**"), the Office of the Comptroller of the Currency ("**OCC**") and the Federal Deposit Insurance Corporation ("**FDIC**") have the authority, and under certain circumstances the duty, to prohibit or to limit the payment of dividends by the banking organisations they supervise, including Morgan Stanley and its U.S. bank subsidiaries, Morgan Stanley Bank, N.A. and Morgan Stanley Private Bank, National Association (collectively, "**U.S. Bank Subsidiaries**").

Morgan Stanley's liquidity and financial condition have in the past been, and in the future could be, adversely affected by U.S. and international markets and economic conditions.

Morgan Stanley's ability to raise funding in the long-term or short-term debt capital markets or the equity markets, or to access secured lending markets, has in the past been, and could in the future be, adversely affected by conditions in the U.S. and international markets and economies. In particular, Morgan Stanley's cost and availability of funding in the past have been, and may in the future be, adversely affected by illiquid credit markets and wider credit spreads. Significant turbulence in the U.S., the European Union and other

international markets and economies could adversely affect Morgan Stanley's liquidity and financial condition and the willingness of certain counterparties and customers to do business with Morgan Stanley.

Risks relating to the operation of Morgan Stanley's business activities

Morgan Stanley faces a number of operational risks in relation to its business activities.

Operational risk refers to the risk of loss, or of 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, damage to physical assets or the ongoing COVID-19 pandemic). Morgan Stanley may incur operational risk across the full scope of its business activities, including revenue-generating activities (e.g., sales and trading) and support and control groups (e.g., information technology and trade processing). Legal, regulatory and compliance risk is included in the scope of operational risk and is discussed below under "Legal, Regulatory and Compliance Risk".

Morgan Stanley is subject to operational risks, including a failure, breach or other disruption of its operations or security systems or those of Morgan Stanley's third parties (or third parties thereof) as well as human error or malfeasance, which could adversely affect its businesses or reputation.

Morgan Stanley's businesses are highly dependent on its ability to process and report, on a daily basis, a large number of transactions across numerous and diverse markets in many currencies. Morgan Stanley may introduce new products or services or change processes or reporting, including in connection with new regulatory requirements, resulting in new operational risk that Morgan Stanley may not fully appreciate or identify. The trend toward direct access to automated, electronic markets and the move to more automated trading platforms has resulted in the use of increasingly complex technology that relies on the continued effectiveness of the programming code and integrity of the data to process the trades. Morgan Stanley relies on the ability of its employees, Morgan Stanley's consultants, its internal systems and systems at technology centres maintained by unaffiliated third parties to operate its different businesses and process a high volume of transactions. Unusually high trading volumes or site usage could cause Morgan Stanley's systems to operate at an unacceptably slow speed or even fail. Disruptions to, destruction of, instability of or other failure to effectively maintain Morgan Stanley's information technology systems or external technology that allows its clients and customers to use its products and services (including its self-directed brokerage platform) could harm Morgan Stanley's business and its reputation.

As a major participant in the global capital markets, Morgan Stanley faces the risk of incorrect valuation or risk management of its trading positions due to flaws in data, models, electronic trading systems or processes or due to fraud or cyber attack.

Morgan Stanley also faces the risk of operational failure or disruption of any of the clearing agents, exchanges, clearing houses or other financial intermediaries it uses to facilitate its lending, securities and derivatives transactions. In addition, in the event of a breakdown or improper operation or disposal of Morgan Stanley's or a direct or indirect third party's systems (or third parties thereof), processes or information assets, or improper or unauthorised action by third parties, including consultants and subcontractors or Morgan Stanley's employees, Morgan Stanley have in the past and may receive regulatory sanctions, and could suffer financial loss, an impairment to its liquidity position, a disruption of its businesses, or damage to its reputation.

In addition, the interconnectivity of multiple financial institutions with central agents, exchanges and clearing houses, and the increased importance of these entities, increases the risk that an operational failure at one institution or entity may cause an industry-wide operational failure that could materially impact Morgan Stanley's ability to conduct business. Furthermore, the concentration of company and personal information held by a handful of third parties increases the risk that a breach at a key third party may cause an industry-wide event that could significantly increase the cost and risk of conducting business.

There can be no assurance that Morgan Stanley's business contingency and security response plans fully mitigate all potential risks to Morgan Stanley. Morgan Stanley's ability to conduct business may be adversely affected by a disruption in the infrastructure that supports its businesses and the communities where Morgan Stanley is located. This may include a disruption involving physical site access; software flaws and vulnerabilities; cybersecurity incidents; terrorist activities; political unrest; disease pandemics; catastrophic events; climate-related incidents and natural disasters (such as earthquakes, tornadoes, hurricanes and wildfires); electrical outage; environmental hazard; computer servers; communications or

other services Morgan Stanley uses; its employees or third parties with whom Morgan Stanley conducts business.

Although Morgan Stanley employs backup systems for its data, those backup systems may be unavailable following a disruption, the affected data may not have been backed up or may not be recoverable from the backup, or the backup data may be costly to recover, which could adversely affect Morgan Stanley's business.

Notwithstanding evolving technology and technology-based risk and control systems, Morgan Stanley's businesses ultimately rely on people, including Morgan Stanley employees and those of third parties with which Morgan Stanley conducts business. As a result of human error or engagement in violations of applicable policies, laws, rules or procedures, certain errors or violations are not always discovered immediately by Morgan Stanley's technological processes or by Morgan Stanley's controls and other procedures, which are intended to prevent and detect such errors or violations. These can include calculation errors, mistakes in addressing emails or other communications, errors in software or model development or implementation, or errors in judgment, as well as intentional efforts to disregard or circumvent applicable policies, laws, rules or procedures. Human errors and malfeasance, even if promptly discovered and remediated, can result in material losses and liabilities for Morgan Stanley.

Morgan Stanley conducts business in various jurisdictions outside the U.S., including jurisdictions that may not have comparable levels of protection for their corporate assets such as intellectual property, trademarks, trade secrets, know-how and customer information and records. The protection afforded in those jurisdictions may be less established and/or predictable than in the U.S. or other jurisdictions in which Morgan Stanley operates. As a result, there may also be heightened risks associated with the potential theft of their data, technology and intellectual property in those jurisdictions by domestic or foreign actors, including private parties and those affiliated with or controlled by state actors. Additionally, Morgan Stanley is subject to complex and evolving U.S. and international laws and regulations governing cybersecurity, privacy and data governance, transfer and protection, which may differ and potentially conflict, in various jurisdictions. Any theft of data, technology or intellectual property may negatively impact Morgan Stanley's operations and reputation, including disrupting the business activities of Morgan Stanley's subsidiaries, affiliates, joint ventures or clients conducting business in those jurisdictions.

A cyber attack, information or security breach or a technology failure of ours or a third party could adversely affect Morgan Stanley's ability to conduct its business, manage its exposure to risk or result in disclosure or misuse of confidential or proprietary information and otherwise adversely impact its results of operations, liquidity and financial condition, as well as cause reputational harm.

Cybersecurity risks for financial institutions have significantly increased in recent years in part because of the proliferation of new technologies, the use of the internet, mobile telecommunications and cloud technologies to conduct financial transactions, and the increased sophistication and activities of organised crime, hackers, terrorists and other external extremist parties, including foreign state actors, in some circumstances as a means to promote political ends. Global events and geopolitical instability may lead to increased nation state targeting of financial institutions in the U.S. and abroad. Any of these parties may also attempt to fraudulently induce employees, customers, clients, vendors, or other third parties or users of Morgan Stanley's systems to disclose sensitive information in order to gain access to its data or that of Morgan Stanley's employees or clients.

Cybersecurity risks may also derive from human error, fraud or malice on the part of its employees or third parties, or may result from accidental technological failure. These risks may be heightened by several factors, including remote work or as a result of the integration of acquisitions and other strategic initiatives that may subject Morgan Stanley to new technology, customers or third-party providers. In addition, third parties with whom Morgan Stanley does business, the regulators with whom Morgan Stanley shares information and each of their service providers, as well as the third parties with whom Morgan Stanley's customers and clients share information used for authentication, may also be sources of cybersecurity risks, particularly where activities of customers are beyond Morgan Stanley's security and control systems. There is no guarantee that the measures Morgan Stanley takes will provide absolute security or recoverability given that the techniques used in cyber attacks are complex and frequently change, and are difficult to anticipate.

Like other financial services firms, Morgan Stanley, its third-party providers, and its clients continue to be the subject of unauthorised access attacks, mishandling or misuse of information, computer viruses or

malware, cyber attacks designed to obtain confidential information, destroy data, disrupt or degrade service, sabotage systems or cause other damage, denial of service attacks, data breaches, social engineering attacks and other events. There can be no assurance that such unauthorised access, mishandling or misuse of information or cyber incidents will not occur in the future, and they could occur more frequently and on a more significant scale.

Morgan Stanley maintain a significant amount of personal and confidential information on its customers, clients and certain counterparties that Morgan Stanley is required to protect under various state, federal and international data protection and privacy laws. These laws may be in conflict with one another or courts and regulators may interpret them in ways that Morgan Stanley had not anticipated or that adversely affect its business. A cyber attack, information or security breach or a technology failure of Morgan Stanley or of a third party could jeopardise its or its clients', employees', partners', vendors' or counterparties' personal, confidential, proprietary or other information processed and stored in, and transmitted through, its and its third parties' computer systems. Furthermore, such events could cause interruptions or malfunctions in Morgan Stanley's, its clients', employees', partners', vendors', counterparties' or third parties' operations, as well as the unauthorised release, gathering, monitoring, misuse, loss or destruction of confidential, proprietary and other information of Morgan Stanley, its employees, its customers or of other third parties. Any of these events could result in reputational damage with Morgan Stanley's clients and the market, client dissatisfaction, additional costs to Morgan Stanley to maintain and update its operational and security systems and infrastructure, violation of the applicable data protection and privacy laws, regulatory investigations and enforcement actions, litigation exposure, or fines or penalties, any of which could adversely affect Morgan Stanley's business, financial condition or results of operations.

Given Morgan Stanley's global footprint and the high volume of transactions Morgan Stanley processes, the large number of clients, partners, vendors and counterparties with which Morgan Stanley does business, and the increasing sophistication of cyber attacks, a cyber attack, information or security breach could occur and persist for an extended period of time without detection. It could take considerable time for Morgan Stanley to determine the scope, extent, amount and type of information compromised, and the impact of such an attack may not be fully understood. During such time Morgan Stanley would not necessarily know the extent of the harm or how best to remediate it, and certain errors or actions could be repeated or compounded before they are discovered and remediated, all or any of which would further increase the costs and consequences of a cyber attack or data breach.

While many of Morgan Stanley's agreements with partners and third-party vendors include indemnification provisions, Morgan Stanley may not be able to recover sufficiently, or at all, under such provisions to adequately offset any losses Morgan Stanley may incur. In addition, although Morgan Stanley maintains insurance coverage that may, subject to policy terms and conditions, cover certain aspects of cyber and information security risks, such insurance coverage may be insufficient to cover all losses.

Morgan Stanley continues to make investments with a view toward maintaining and enhancing its cybersecurity posture. The cost of managing cyber and information security risks and attacks along with complying with new increasingly expansive and evolving regulatory requirements could adversely affect Morgan Stanley's results of operations and business.

Morgan Stanley's risk management strategies, models and processes may not be fully effective in mitigating its risk exposures in all market environments or against all types of risk, which could result in unexpected losses.

Morgan Stanley has devoted significant resources to develop its risk management capabilities and expects to continue to do so in the future. Nonetheless, Morgan Stanley's risk management strategies, models and processes, including its use of various risk models for assessing market exposures and hedging strategies, stress testing and other analysis, may not be fully effective in mitigating Morgan Stanley's risk exposure in all market environments or against all types of risk, including risks that are unidentified or unanticipated. As Morgan Stanley's businesses change and grow, and the markets in which Morgan Stanley operates evolve, its risk management strategies, models and processes may not always adapt with those changes. Some of Morgan Stanley's methods of managing risk are based upon its use of observed historical market behaviour and management's judgment. As a result, these methods may not predict future risk exposures, which could be significantly greater than the historical measures indicate. In addition, many models Morgan Stanley uses are based on assumptions or inputs regarding correlations among prices of various asset classes or other market indicators, and therefore, cannot anticipate sudden, unanticipated, or unidentified market

or economic movements, such as the impact of the COVID-19 pandemic, which could cause Morgan Stanley to incur losses.

Management of market, credit, liquidity, operational, model, legal, regulatory and compliance risks requires, among other things, policies and procedures to record properly and verify a large number of transactions and events, and these policies and procedures may not be fully effective. Morgan Stanley's trading risk management strategies and techniques also seek to balance its ability to profit from trading positions with its exposure to potential losses. While Morgan Stanley employs a broad and diversified set of risk monitoring and risk mitigation techniques, those techniques and the judgments that accompany their application cannot anticipate every economic and financial outcome or the timing of such outcomes. For example, to the extent that Morgan Stanley's trading or investing activities involve less liquid trading markets or are otherwise subject to restrictions on sales or hedging, Morgan Stanley may not be able to reduce its positions and therefore reduce its risk associated with such positions. Morgan Stanley may, therefore, incur losses in the course of its trading or investing activities.

Climate change manifesting as physical or transition risks could adversely affect Morgan Stanley's operations, businesses and clients.

Climate change manifesting as physical or transition risks could adversely affect Morgan Stanley's operations, businesses and clients. There is increasing concern over the risks of climate change and related environmental sustainability matters. The physical risks of climate change include acute events, such as flooding, extreme heat and wildfires, and chronic, longer-term shifts in climate patterns, such as increasing temperatures, sea level rise, and more frequent and prolonged drought. Such events could disrupt Morgan Stanley's operations or those of its clients or third parties on which Morgan Stanley rely, including through direct damage to physical assets and indirect impacts from supply chain disruption and market volatility.

Additionally, transitioning to a low-carbon economy will likely require extensive policy, legal, technology and market changes. Transition risks, including changes in consumer preferences and additional regulatory and legislative requirements, including carbon taxes, could increase Morgan Stanley's expenses and adversely impact its strategies and those of its clients.

In addition, Morgan Stanley's reputation and client relationships may be adversely impacted as a result of Morgan Stanley's practices related to climate change, including its involvement, or their clients' involvement, in certain industries, projects, or initiatives associated with causing, or potentially slowing solutions to, climate change, as well as any decisions Morgan Stanley makes to continue to conduct or change its activities in response to considerations relating to climate change.

As climate risk is interconnected with other risk types, including geopolitical risks, Morgan Stanley have developed and continue to enhance processes to embed climate risk considerations into its risk management strategies, as well as governance structures, established for risks such as market, credit and operational risks. Because the timing and severity of climate change events or societal changes in reaction to them may be difficult to predict, Morgan Stanley's risk management strategies may not be effective in mitigating climate risk exposure.

In addition, the methodology and data used to manage and monitor climate risk continues to evolve and currently utilizes information and estimates that have been derived from information or factors released by third-party sources, which may not be current. Certain third-party information may also change over time as methodologies evolve and are refined. While Morgan Stanley believes this information is reasonable at the time, Morgan Stanley may only be able to complete limited validation. These and other factors could cause results to differ materially from those expressed in the estimates and beliefs made by third parties and by Morgan Stanley, which could also impact Morgan Stanley's management of risk in this area.

Replacement of London Interbank Offered Rate and replacement or reform of other interest rate benchmarks could adversely affect Morgan Stanley's business, financial condition and results of operations.

Central banks around the world, including the Federal Reserve, have commissioned committees and working groups of market participants and official sector representatives to replace LIBOR and replace or reform other interest rate benchmarks (collectively, the "IBORs"). A transition away from the use of the IBORS to alternative rates and other potential interest rate benchmark reforms is underway and will continue over the course of the next few years. These reforms have caused and may in the future cause

such rates to perform differently than in the past, or to cease entirely, or have other consequences that are contrary to market expectations.

The ongoing market transition away from IBORs and other interest rate benchmarks to alternative reference rates is complex and could have a range of adverse impacts on Morgan Stanley's business, financial condition and results of operations. In particular, any such transition or reform could:

- adversely impact the pricing, liquidity, value of, return on and trading for a broad array of financial products, including any IBOR-linked securities, loans and derivatives that are included in Morgan Stanley's financial assets and liabilities;
- require further extensive changes to documentation that governs or references IBOR or IBOR-based products, including, for example, pursuant to time-consuming renegotiations of existing documentation to modify the terms of outstanding securities and related hedging transactions;
- result in a population of products with documentation that governs or references IBOR or IBOR based products but that cannot be amended due to an inability to obtain sufficient consent from counterparties or product owners;
- result in inquiries, reviews or other actions from regulators in respect of Morgan Stanley's (or the market's) preparation, readiness, transition plans and actions regarding the replacement of an IBOR with one or more alternative reference rates, including regulatory guidance regarding constraints on the entry into new U.S. dollar IBOR-linked contracts after December 31, 2021;
- result in disputes, litigation or other actions with clients, counterparties and investors, in various scenarios, such as regarding the interpretation and enforceability of provisions in IBOR-based products such as fallback language or other related provisions, including in the case of fallbacks to the alternative reference rates, any economic, legal, operational or other impact resulting from the fundamental differences between the IBORs and the various alternative reference rates;
- require the additional transition and/or further development of appropriate systems and analytics to effectively transition Morgan Stanley's risk management processes from IBORs to those based on one or more alternative reference rates in a timely manner, including by quantifying value and risk for various alternative reference rates, which may prove challenging given the limited history of the proposed alternative reference rates; and
- cause Morgan Stanley to incur additional costs in relation to any of the above factors.

Other factors include the pace of the transition to the alternative reference rates, timing mismatches between cash and derivative markets, the specific terms and parameters for and market acceptance of any alternative reference rate market conventions for the use of any alternative reference rate in connection with a particular product (including the timing and market adoption of any conventions proposed or recommended by any industry or other group), prices of and the liquidity of trading markets for products based on alternative reference rates, and Morgan Stanley's ability to further transition and develop appropriate systems and analytics for one or more alternative reference rates.

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 Morgan Stanley's business, or loss to reputation Morgan Stanley may suffer as a result of its failure to comply with laws, regulations, rules, related self-regulatory organisation standards and codes of conduct applicable to its 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 anti-money laundering, anti-corruption and terrorist financing rules and regulations.

The financial services industry is subject to extensive regulation, and changes in regulation will impact Morgan Stanley's business.

Like other major financial services firms, Morgan Stanley is subject to extensive regulation by U.S. federal and state regulatory agencies and securities exchanges and by regulators and exchanges in each of the major

markets where Morgan Stanley conducts its business. These laws and regulations significantly affect the way Morgan Stanley does business and can restrict the scope of its existing businesses and limit its ability to expand its product offerings and pursue certain investments.

Morgan Stanley and its employees are subject to (among other things) wide-ranging regulation and supervision, intensive scrutiny of its businesses and any plans for expansion of those businesses through acquisitions or otherwise, limitations on new activities, a systemic risk regime that imposes heightened capital and liquidity and funding requirements and other enhanced prudential standards, resolution regimes and resolution planning requirements, requirements for maintaining minimum amounts of total loss-absorbing capacity ("**TLAC**") and external longterm debt, restrictions on activities and investments imposed by a section of the Bank Holding Company Act of 1956, as amended (the "**BHC Act**") added by the Dodd-Frank Act referred to as the "**Volcker Rule**", comprehensive derivatives regulation, commodities regulation, market structure regulation, consumer protection regulation, tax regulations, antitrust laws, trade and transaction reporting obligations, and broadened fiduciary obligations.

Ongoing implementation of, or changes in, including changes in interpretation or enforcement of, laws and regulations could materially impact the profitability of Morgan Stanley's businesses and the value of assets it holds, expose it to additional costs, require changes to business practices or force it to discontinue businesses, adversely affect its ability to pay dividends and repurchase its stock, or require it to raise capital, including in ways that may adversely impact its shareholders or creditors.

In addition, regulatory requirements that are imposed by foreign policymakers and regulators may be inconsistent or conflict with regulations that Morgan Stanley is subject to in the U.S. and may adversely affect it. Legal and regulatory requirements continue to be subject to ongoing change, which may result in significant new costs to comply with new or revised requirements as well as to monitor for compliance on an ongoing basis.

The application of regulatory requirements and strategies in the U.S. or other jurisdictions to facilitate the orderly resolution of large financial institutions may pose a greater risk of loss for Morgan Stanley's security holders, and subject Morgan Stanley to other restrictions.

Morgan Stanley is required to submit once every two years to the Federal Reserve and the FDIC a resolution plan that describes its strategy for a rapid and orderly resolution under the U.S. Bankruptcy Code in the event of material financial distress or failure. If the Federal Reserve and the FDIC were to jointly determine that Morgan Stanley's resolution plan submission was not credible or would not facilitate an orderly resolution, and if Morgan Stanley were unable to address any deficiencies identified by the regulators, Morgan Stanley or any of its subsidiaries may be subject to more stringent capital, leverage, or liquidity requirements or restrictions on its growth, activities, or operations, or after a two year period, Morgan Stanley may be required to divest assets or operations.

In addition, provided that certain procedures are met, Morgan Stanley can be subject to a resolution proceeding under the orderly liquidation authority under Title II of the Dodd-Frank Act with the FDIC being appointed as receiver. The FDIC's power under the orderly liquidation authority to disregard the priority of creditor claims and treat similarly situated creditors differently in certain circumstances, subject to certain limitations, could adversely impact holders of Morgan Stanley's unsecured debt.

Further, because both Morgan Stanley's resolution plan contemplates a single point of entry ("**SPOE**") strategy under the U.S. Bankruptcy Code and the FDIC has proposed an SPOE strategy through which it may apply its orderly liquidation authority powers, Morgan Stanley believes that the application of an SPOE strategy is the reasonably likely outcome if either its resolution plan were implemented or a resolution proceeding were commenced under the orderly liquidation authority. An SPOE strategy generally contemplates the provision of adequate capital and liquidity by Morgan Stanley to certain of its subsidiaries so that such subsidiaries have the resources necessary to implement the resolution strategy, and Morgan Stanley has entered into a secured amended and restated support agreement with its material entities, as defined in Morgan Stanley's resolution plan pursuant to which it would provide such capital and liquidity to such entities.

In further development of Morgan Stanley's SPOE strategy, a wholly owned, direct subsidiary, Morgan Stanley Holdings LLC ("**Funding IHC**"), serves as a resolution funding vehicle. Morgan Stanley has transferred, and has agreed to transfer on an ongoing basis, certain assets to the Funding IHC. In the event of a resolution scenario, Morgan Stanley would be obligated to contribute all of its material assets that can

be contributed under the terms of the amended and restated support agreement (other than shares in subsidiaries of Morgan Stanley and certain other assets) ("**Contributable Assets**") to the Funding IHC. The Funding IHC would be obligated to provide capital and liquidity, as applicable, to Morgan Stanley's material entities.

The obligations of Morgan Stanley and of the Funding IHC, respectively, under the amended and restated support agreement are in most cases secured on a senior basis by the assets of Morgan Stanley (other than shares in subsidiaries of Morgan Stanley and certain other assets) and the assets of the Funding IHC, as applicable. As a result, claims of Morgan Stanley's material entities, including the Funding IHC, against the assets of Morgan Stanley with respect to such secured assets are effectively senior to unsecured obligations of Morgan Stanley.

Although an SPOE strategy, whether applied pursuant to Morgan Stanley's resolution plan or in a resolution proceeding under the orderly liquidation authority, is intended to result in better outcomes for creditors overall, there is no guarantee that the application of an SPOE strategy, including the provision of support to Morgan Stanley's material entities pursuant to the secured amended and restated support agreement, will not result in greater losses for holders of Morgan Stanley's securities compared with a different resolution strategy for the firm.

Regulators have taken and proposed various actions to facilitate an SPOE strategy under the U.S. Bankruptcy Code, the orderly liquidation authority and other resolution regimes. For example, the Federal Reserve requires top-tier bank holding companies of U.S. global systemically important banks, including Morgan Stanley, to maintain minimum amounts of equity and eligible long-term debt (TLAC) in order to ensure that such institutions have enough loss-absorbing resources at the point of failure to be recapitalised through the conversion of debt to equity or otherwise by imposing losses on eligible TLAC where the SPOE strategy is used. The combined implication of the SPOE resolution strategy and the TLAC requirement is that Morgan Stanley's losses will be imposed on the holders of eligible long-term debt and other forms of eligible TLAC issued by Morgan Stanley before any losses are imposed on the creditors of Morgan Stanley's material entities without requiring taxpayer or government financial support.

In addition, certain jurisdictions, including the United Kingdom ("**U.K.**") and other European Union ("**E.U.**") jurisdictions, have implemented, or are in the process of implementing, changes to resolution regimes to provide resolution authorities with the ability to recapitalise a failing entity organised in such jurisdiction by writing down certain unsecured liabilities or converting certain unsecured liabilities into equity. Such "bail-in" powers are intended to enable the recapitalisation of a failing institution by allocating losses to its shareholders and unsecured creditors. Non-U.S. regulators are also considering requirements that certain subsidiaries of large financial institutions maintain minimum amounts of TLAC that would pass losses up from the subsidiaries to Morgan Stanley and, ultimately, to security holders of Morgan Stanley in the event of failure.

Morgan Stanley may be prevented from paying dividends or taking other capital actions because of regulatory constraints or revised regulatory capital standards.

Morgan Stanley is subject to comprehensive consolidated supervision, regulation and examination by the Federal Reserve, including with respect to regulatory requirements, stress testing and capital planning. Morgan Stanley submits, on at least an annual basis, a capital plan to the Federal Reserve describing proposed dividend payments to shareholders, proposed repurchases of its outstanding securities and other proposed capital actions that it intends to take. Morgan Stanley's ability to take capital actions described in the capital plan is dependent on, among other factors, the results of supervisory stress tests conducted by the Federal Reserve and Morgan Stanley's compliance with regulatory capital requirements imposed by the Federal Reserve.

In addition, the Federal Reserve may change regulatory capital requirements to impose higher requirements that restrict Morgan Stanley's ability to take capital actions or may modify or impose other regulatory standards or restrictions that increase Morgan Stanley's operating expenses or constrain its ability to take capital actions.

The financial services industry faces substantial litigation and is subject to extensive regulatory and law enforcement investigations, and Morgan Stanley may face damage to its reputation and legal liability.

As a global financial services firm, Morgan Stanley faces the risk of investigations and proceedings by governmental and self-regulatory organisations in all countries in which it conducts its business. Investigations and proceedings initiated by these authorities may result in adverse judgments, settlements, fines, penalties, injunctions or other relief. In addition to the monetary consequences, these measures could, for example, impact Morgan Stanley's ability to engage in, or impose limitations on, certain of its businesses. These investigations and proceedings, as well as the amount of penalties and fines sought, continue to impact the financial services industry, and certain U.S. and international governmental entities have brought criminal actions against, or have sought criminal convictions, pleas or deferred prosecution agreements from, financial institutions. Significant regulatory or law enforcement action against Morgan Stanley could materially adversely affect its business, financial condition or results of operations or cause it significant reputational harm, which could seriously harm its business. The Dodd-Frank Act also provides compensation to whistleblowers who present the United States Securities and Exchange Commission (the "SEC") or the United States Commodity Futures Trading Commission (the "CFTC") with information related to securities or commodities law violations that leads to a successful enforcement action. As a result of this compensation, it is possible Morgan Stanley could face an increased number of investigations by the SEC or CFTC.

Morgan Stanley has been named, from time to time, as a defendant in various legal actions, including arbitrations, class actions and other litigation, as well as investigations or proceedings brought by regulatory agencies, arising in connection with its activities as a global diversified financial services institution. Certain of the actual or threatened legal or regulatory actions include claims for substantial compensatory and/or punitive damages, claims for indeterminate amounts of damages, or may result in penalties, fines, or other results adverse to Morgan Stanley. In some cases, the issuers that would otherwise be the primary defendants in such cases are bankrupt or are in financial distress. In other cases, including antitrust litigation, Morgan Stanley may be subject to claims for joint and several liability with other defendants for treble damages or other relief related to alleged conspiracies involving other institutions. Like any large corporation, Morgan Stanley is also subject to risk from potential employee misconduct, including non-compliance with policies and improper use or disclosure of confidential information, or improper sales practices or conduct.

Morgan Stanley may be responsible for representations and warranties associated with commercial and residential real estate loans and may incur losses in excess of its reserves.

Morgan Stanley originates loans secured by commercial and residential properties. Further, Morgan Stanley securitises and trades in a wide range of commercial and residential real estate and real estate-related products. In connection with these activities, Morgan Stanley has provided, or otherwise agreed to be responsible for, certain representations and warranties. Under certain circumstances, Morgan Stanley may be required to repurchase such assets or make other payments related to such assets if such representations and warranties were breached. Morgan Stanley has also made representations and warranties in connection with its role as an originator of certain commercial mortgage loans that it securitised in commercial mortgage-backed securities and residential mortgage-backed securities.

Morgan Stanley currently has certain legal proceedings related to claims for alleged breaches of representations and warranties. If there are decisions adverse to Morgan Stanley in those legal proceedings, it may incur losses substantially in excess of its reserves. In addition, Morgan Stanley's reserves are based, in part, on certain factual and legal assumptions. If those assumptions are incorrect and need to be revised, Morgan Stanley may need to adjust its reserves substantially.

A failure to address conflicts of interest appropriately could adversely affect Morgan Stanley's businesses and reputation.

As a global financial services firm that provides products and services to a large and diversified group of clients, including corporations, governments, financial institutions and individuals, Morgan Stanley faces potential conflicts of interest in the normal course of business. For example, potential conflicts can occur when there is a divergence of interests between Morgan Stanley and a client, among clients, between an employee on the one hand and Morgan Stanley or a client on the other, or situations in which Morgan Stanley may be a creditor of a client. Moreover, Morgan Stanley also utilises multiple brands and business channels, including those resulting from its acquisitions, and continues to enhance the collaboration across

business segments, which may heighten the potential conflicts of interest or the risk of improper sharing of information.

Morgan Stanley has policies, procedures and controls that are designed to identify and address potential conflicts of interest, and utilises various measures, such as the use of disclosure, to manage these potential conflicts. However, identifying and mitigating potential conflicts of interest can be complex and challenging and can become the focus of media and regulatory scrutiny. Indeed, actions that merely appear to create a conflict can put Morgan Stanley's reputation at risk even if the likelihood of an actual conflict has been mitigated. It is possible that potential conflicts could give rise to litigation or enforcement actions, which may lead to Morgan Stanley's clients being less willing to enter into transactions in which a conflict may occur and could adversely affect Morgan Stanley's businesses and reputation.

Morgan Stanley's regulators have the ability to scrutinise its activities for potential conflicts of interest, including through detailed examinations of specific transactions. For example, Morgan Stanley's status as a bank holding company supervised by the Federal Reserve subjects it to direct Federal Reserve scrutiny with respect to transactions between Morgan Stanley's U.S. Bank Subsidiaries and their affiliates. Further, the Volcker Rule subjects Morgan Stanley to regulatory scrutiny regarding certain transactions between Morgan Stanley and its clients.

Other risks relating to Morgan Stanley's business activities

Morgan Stanley faces strong competition from financial services firms and others which could lead to pricing pressures that could materially adversely affect its revenues and profitability.

The financial services industry and all aspects of Morgan Stanley's businesses are intensely competitive, and Morgan Stanley expects them to remain so. Morgan Stanley competes with commercial banks, brokerage firms, insurance companies, exchanges, electronic trading and clearing platforms, financial data repositories, sponsors of mutual funds, hedge funds, private equity funds, energy companies, financial technology firms and other companies offering financial or ancillary services in the U.S. and globally, as well as digitally, including through the internet. Morgan Stanley also competes with companies that provide online trading and banking services, investment advisor services, robo-advice capabilities, access to digital asset capabilities and services, and other financial products and services. Morgan Stanley competes on the basis of several factors, including transaction execution, capital or access to capital, products and services, innovation, technology, reputation, risk appetite and price.

Over time, certain sectors of the financial services industry have become more concentrated, as institutions involved in a broad range of financial services have left businesses, been acquired by or merged into other firms or have declared bankruptcy. Such changes could result in Morgan Stanley's remaining competitors gaining greater capital and other resources, such as the ability to offer a broader range of products and services and geographic diversity, or new competitors may emerge.

Morgan Stanley has experienced and may continue to experience pricing pressures as a result of these factors and as some of its competitors seek to obtain market share by reducing prices, eliminating commissions or other fees, or providing more favourable terms of business. In addition, certain of Morgan Stanley's competitors may be subject to different, and, in some cases, less stringent, legal and regulatory regimes, than Morgan Stanley is, thereby putting it at a competitive disadvantage. Some new competitors in the financial technology sector have sought to target existing segments of Morgan Stanley's businesses that could be susceptible to disruption by innovative or less regulated business models.

Automated trading markets and the introduction and application of new technologies may adversely affect Morgan Stanley's business and may increase competition.

Morgan Stanley continue to experience price competition in some of its businesses. In particular, the ability to execute securities, derivatives and other financial instrument trades electronically on exchanges, swap execution facilities and other automated trading platforms, and the introduction and application of new technologies will likely continue the pressure on the trend toward direct access to automated, electronic markets will likely continue as additional markets move to more automated trading platforms. Morgan Stanley has experienced and will likely continue to experience competitive pressures in these and other areas in the future.

Morgan Stanley's ability to retain and attract qualified employees is critical to the success of its business and the failure to do so may materially adversely affect its performance.

Morgan Stanley's people are its most important asset. Morgan Stanley competes with various other companies in attracting and retaining qualified and skilled personnel. If Morgan Stanley is unable to continue to attract and retain highly qualified employees, or do so at levels or in forms necessary to maintain its competitive position, or if compensation costs required to attract and retain employees become more expensive, or the competitive market for talent further intensifies, Morgan Stanley's performance, including its competitive position and results of operations, could be materially adversely affected. The financial industry has experienced and may continue to experience more stringent regulation of employee compensation, including limitations relating to incentive-based compensation, clawback requirements and special taxation, which could have an adverse effect on Morgan Stanley's ability to hire or retain the most qualified employees.

Morgan Stanley is subject to numerous political, economic, legal, tax, operational, franchise and other risks as a result of its international operations that could adversely impact its businesses in many ways.

Morgan Stanley is subject to numerous political, economic, legal, tax, operational, franchise and other risks that are inherent in operating in many countries, including risks of possible nationalisation, expropriation, price controls, capital controls, exchange controls, increased taxes and levies, data transfer and outsourcing restrictions, prohibitions on certain types of foreign and capital market activities, limitations on cross-border listings and other restrictive governmental actions, as well as the outbreak of hostilities or political and governmental instability. In many countries, the laws and regulations applicable to the securities and financial services industries are uncertain and evolving and subject to sudden change. It may be difficult for Morgan Stanley to determine the exact requirements of local laws in every market or adapt to changes in law, which could adversely impact Morgan Stanley's businesses. Morgan Stanley's inability to remain in compliance with local laws in a particular market could have a significant and negative effect not only on its business in that market but also on its reputation generally. Morgan Stanley is also subject to the risk that transactions it structures might not be legally enforceable in all cases. In addition, uncertainty as to the nature of the future relationship between the U.K. and the E.U. may adversely affect the manner in which Morgan Stanley operates certain of its businesses across Europe.

Various emerging market countries have experienced severe political, economic or financial disruptions, including significant devaluations of their currencies, defaults or potential defaults on sovereign debt, capital and currency exchange controls, high rates of inflation and low or negative growth rates in their economies. Crime and corruption, as well as issues of security and personal safety, also exist in certain of these countries. These conditions could adversely impact Morgan Stanley's businesses and increase volatility in financial markets generally.

A disease pandemic, such as COVID-19, or other widespread health emergencies, natural disasters, climate-related incidents, terrorist activities or military actions or social or political tensions, could create economic and financial disruptions in emerging markets or in other areas of the global economy that could adversely affect Morgan Stanley's business or could lead to operational difficulties (including travel limitations) that could impair Morgan Stanley's ability to manage or conduct its businesses around the world.

As a U.S. company, Morgan Stanley is required to comply with the economic sanctions and embargo programmes administered by the U.S. Treasury's Office of Foreign Assets Control and similar multinational bodies and governmental agencies worldwide, which may be inconsistent with local law. Morgan Stanley are also subject to applicable anti-corruption laws in the jurisdictions in which Morgan Stanley operates, such as the U.S. Foreign Corrupt Practices Act and the United Kingdom Bribery Act. A violation of a sanction, embargo programme, or anti-corruption law could subject Morgan Stanley, and individual employees, to a regulatory enforcement action as well as significant civil and criminal penalties.

Morgan Stanley may be unable to fully capture the expected value from acquisitions, divestitures, joint ventures, partnerships, minority stakes or strategic alliances, and certain acquisitions may subject its business to new or increased risk.

In connection with past or future acquisitions, divestitures, joint ventures, partnerships, minority stakes or strategic alliances (including with Mitsubishi UFJ Financial Group, Inc.), Morgan Stanley faces numerous risks and uncertainties in combining, transferring, separating or integrating the relevant businesses and systems, including the need to combine or separate accounting and data processing systems and

management controls and to integrate relationships with clients, trading counterparties and business partners. Certain of these strategic initiatives, and integration thereof, may cause Morgan Stanley to incur incremental expenses and may also require incremental financial, management and other resources.

For example, Morgan Stanley's integrations of E*TRADE and Eaton Vance involve a number of risks, including failure to realise anticipated cost savings and difficulty integrating the businesses. It is possible that the remaining integration processes could also result in unanticipated disruptions of ongoing businesses, the loss of key employees, the loss of clients, or overall integrations longer than originally anticipated.

In the case of joint ventures, partnerships and minority stakes, Morgan Stanley is subject to additional risks and uncertainties because it may be dependent upon, and subject to liability, losses or reputational damage relating to, systems, controls and personnel that are not under its control.

In addition, conflicts or disagreements between Morgan Stanley and any of its joint venture partners or partners may negatively impact the benefits to be achieved by the relevant joint venture or partnerships respectively.

There is no assurance that any of Morgan Stanley's acquisitions, divestitures or investments will be successfully integrated or disaggregated or yield all of the positive benefits and synergies anticipated. If Morgan Stanley is not able to integrate or disaggregate successfully its past and future acquisitions or dispositions, there is a risk that its results of operations, financial condition and cash flows may be materially and adversely affected.

Certain of Morgan Stanley's business initiatives, including expansions of existing businesses, may change Morgan Stanley's client or account profile or bring Morgan Stanley into contact, directly or indirectly, with individuals and entities that are not within its traditional client and counterparty base and may expose it to new asset classes, services competitors and new markets. These business activities expose Morgan Stanley to new and enhanced risks, greater regulatory scrutiny of these activities, increased credit-related, sovereign, compliance and operational risks, as well as franchise and reputational concerns regarding the manner in which these assets are being operated or held or services are being delivered.

For more information regarding the regulatory environment in which Morgan Stanley operates, see also (i) "*Supervision and Regulation*" on pages 2-6 of Morgan Stanley's Annual Report on Form 10-K for the year ended 31 December 2021, which has been incorporated by reference on page 23 of this Registration Document; and (ii) "*Regulatory Developments and Other Matters*" on page 26 of Morgan Stanley's Quarterly Report on Form 10-Q for the quarterly period ended 30 September 2022, which has been incorporated by reference on page 20 of this Registration Document.

Risks relating to MSI plc, MSBV and MSFL

Morgan Stanley is the ultimate parent company of the Morgan Stanley group of companies (Morgan Stanley and its consolidated subsidiaries, the "Morgan Stanley Group"). Each of MSBV, MSI plc and MSFL belongs to the Morgan Stanley Group.

All material assets of MSBV are obligations of one or more of the Morgan Stanley Group companies and securities issued by MSBV and MSFL are guaranteed by Morgan Stanley.

There are substantial inter-relationships between MSI plc and Morgan Stanley as well as other Morgan Stanley Group companies, including the provision of funding, capital services and logistical support to or by MSI plc, as well as common or shared business or operational platforms or systems, including employees.

The material risks specific to Morgan Stanley described above will also represent (together with the additional risk factors specific to such entities as described below) the material risks specific to MSI plc, MSBV and MSFL, either as individual entities or as part of the Morgan Stanley Group.

All material assets of MSBV are obligations of one or more companies in the Morgan Stanley Group and MSBV's ability to perform its obligations is dependent upon such companies fulfilling their obligations to MSBV.

All material assets of MSBV are obligations of (or securities issued by) one or more Morgan Stanley Group companies. If any of these Morgan Stanley Group companies incurs losses with respect to any of its activities (irrespective of whether those activities relate to MSBV or not) the ability of such company to fulfil its obligations to MSBV could be impaired, thereby exposing holders of securities issued by MSBV to a risk of loss. Should this circumstance materialise, the payment obligations of MSBV under the terms of the securities would be guaranteed by Morgan Stanley.

Risks relating to insolvency proceedings in the Netherlands.

The validity or enforceability of any documents or any legal act (*rechtshandeling*) forming part thereof or contemplated thereby in relation to any securities issued by MSBV are subject to and limited by the protection afforded by Netherlands law to creditors whose interests have been adversely affected pursuant to the rules of Netherlands law relating to (x) unlawful acts (*onrechtmatige daden*) based on Section 6:162 et seq. of the Netherlands Civil Code (*Burgerlijk Wetboek*) and (y) fraudulent conveyance or preference (*actio pauliana*) within the meaning of Section 3:45 of the Netherlands Civil Code (*Burgerlijk Wetboek*). Furthermore, in the event of any insolvency proceedings being opened in the Netherlands in relation to MSBV, Dutch laws in relation to bankruptcy proceedings, in particular Section 42 et seq. of the Netherlands Bankruptcy Act (*Faillissementswet*) in relation to fraudulent conveyance or preference (*actio pauliana*) would apply.

As a finance subsidiary, MSFL has no independent operations and is expected to have no independent assets.

The principal risks with respect to Morgan Stanley will also represent the principal risks with respect to MSFL, either as an individual entity or as part of the Morgan Stanley Group.

MSFL has no independent operations beyond the issuance and administration of its securities and is expected to have no independent assets available for distributions to holders of MSFL securities if they make claims in respect of the securities in a bankruptcy, resolution or similar proceeding. Accordingly, any recoveries by such holders will be limited to those available under the related guarantee by Morgan Stanley and that guarantee will rank *pari passu* with all other outstanding unsecured and unsubordinated obligations of Morgan Stanley present and future, but, in the event of insolvency, only to the extent permitted by laws affecting creditors' rights. Holders will have recourse only to a single claim against Morgan Stanley and its assets under the guarantee. Holders of securities issued by MSFL should accordingly assume that in any such proceedings they would not have any priority over and should be treated *pari passu* with the claims of other unsecured, unsubordinated creditors of Morgan Stanley, including holders of Morgan Stanley-issued securities.

There are substantial inter-relationships between MSI plc and other Morgan Stanley Group companies.

Morgan Stanley is the holding company of a global financial services group. MSI plc is one of the principal operating companies in the Morgan Stanley Group. MSI plc itself provides a wide range of financial and securities services. There are substantial inter-relationships between MSI plc and Morgan Stanley as well as other companies in the Morgan Stanley Group, including the provision of funding, capital, services and logistical support to or by MSI plc, as well as common or shared business or operational platforms or systems, including employees. As a consequence of such inter-relationships, and of the participation of both MSI plc and other Morgan Stanley Group companies in the global financial services sector, factors which could affect the business and condition of Morgan Stanley or other companies in the Morgan Stanley Group may also affect the business and condition of MSI plc. Any such effect could be direct, for example, where economic or market factors directly affect the markets in which MSI plc and other companies in the Morgan Stanley Group operate, or indirect, for example where any factor affects the ability of other companies in the Morgan Stanley Group to provide services or funding or capital to MSI plc or, directly or indirectly, to place business with MSI plc. Similarly, any development affecting the reputation or standing of Morgan Stanley or other companies in the Morgan Stanley Group may have an indirect effect on MSI plc. Such inter-relationships should therefore be taken into account in any assessment of MSI plc.

No guarantee.

Securities issued by MSI plc will not be guaranteed by Morgan Stanley. Although Morgan Stanley has in the past provided financial support to MSI plc through capital injection and debt financing, there is no assurance that it will do so in the future.

Risk is an inherent part of both Morgan Stanley's and the MSI plc Group's (as defined below) business activity and is managed by the MSI plc Group within the context of the broader Morgan Stanley Group. The Morgan Stanley Group seeks to identify, assess, monitor and manage each of the various types of risk involved in its activities on a global basis, in accordance with defined policies and procedures and in consideration of the individual legal entities. The MSI plc Group's own risk management policies and procedures are consistent with those of the Morgan Stanley Group.

Powers under the Banking Act 2009.

MSI plc, as an investment firm for the purposes of the Banking Act 2009 (the "**Banking Act**"), is subject to provisions of that Act which give wide powers in respect of U.K. banks, their parent and other group companies and investment firms (such as MSI plc) to HM Treasury, the Bank of England, the Prudential Regulation Authority and the FCA (each a "**relevant U.K. Regulatory Authority**") in circumstances where the relevant U.K. bank or investment firm (a "**relevant financial institution**") has encountered or is likely to encounter financial difficulties. The Banking Act implements the provisions of Directive 2014/59/EU (the "**Bank Recovery and Resolution Directive**" or "**BRRD**"), and was recently amended by, amongst other statutory instruments, The Bank Recovery and Resolution (Amendment) (EU Exit) Regulations 2020, which implement into U.K. law certain of the recent amendments to BRRD which were required to be implemented prior to the U.K. leaving the E.U.

These powers include powers to: (a) transfer all or some of the liability in respect of the securities issued by a relevant financial institution, or all or some of the property, rights and liabilities of a relevant financial institution (which could include instruments issued by MSI plc and guarantee liabilities of MSI plc), to a commercial purchaser or, in the case of securities, to HM Treasury or an HM Treasury nominee, or, in the case of property, rights or liabilities, to an entity owned by the Bank of England; (b) override any default provisions in contracts or other agreements, including provisions that would otherwise allow a party to terminate a contract or accelerate the payment of an obligation; (c) commence certain insolvency procedures in relation to a relevant financial institution; and (d) override, vary or impose contractual obligations, for reasonable consideration, between a relevant financial institution or its parent and its group undertakings (including undertakings which have ceased to be members of the group), in order to enable any transferee or successor of the relevant financial institution to operate effectively. The Banking Act also gives power to HM Treasury to make further amendments to the law for the purpose of enabling it to use the special resolution regime powers effectively, potentially with retrospective effect.

By reason of its group relationship with certain other Morgan Stanley Group companies (including companies incorporated outside the U.K.) which are banks, investment firms, E.U. institutions or third-country institutions for the purposes of the Banking Act, MSI plc is a banking group company within the meaning of the Banking Act. Accordingly, the relevant U.K. Regulatory Authority can exercise substantially similar special resolution powers in respect of MSI plc in its capacity as a banking group company where the Prudential Regulation Authority, an E.U. resolution authority or third country authority having jurisdiction over the relevant Morgan Stanley Group company is satisfied that such Morgan Stanley Group company meets the relevant conditions for resolution action (including that it is failing or likely to fail, that it is not reasonably likely that other measures would prevent its failure, and that it is in the public interest to exercise those powers) or that it satisfies an equivalent test in the relevant jurisdiction (irrespective of whether at that time MSI plc is failing or likely to fail). Additionally, where a relevant third country Morgan Stanley Group company becomes subject to resolution or similar measures, the relevant U.K. Regulatory Authority may recognise the application of some of those measures to MSI plc (irrespective of whether at that time MSI plc is failing or likely to fail).

Write-down and conversion of capital instruments and liabilities power and bail-in power.

The powers granted to the relevant U.K. Regulatory Authority include (but are not limited to) a "write-down and conversion of capital instruments and liabilities" power and a "bail-in" power.

The "write-down and conversion of capital instruments and liabilities power" may be used where the relevant U.K. Regulatory Authority has determined that the institution concerned has reached the point of non-viability, but that no bail-in of instruments other than capital instruments or (where the institution concerned is not a resolution entity) certain internal non-own funds liabilities ("**relevant internal liabilities**") is required (however the use of the write-down and conversion power does not preclude a subsequent use of the bail-in power) or where the conditions to resolution are met. Any write-down or conversion effected using this power must be carried out in a specific order such that common equity must be written off, cancelled or appropriated from the existing shareholders in full before additional tier 1 instruments are affected, additional tier 1 instruments must be written off or converted in full before tier 2 instruments are affected and (in the case of a non-resolution entity) tier 2 instruments must be written off or converted in full before relevant internal liabilities are affected. Where the write-down and conversion of capital instruments and liabilities power is used, the write-down is permanent and investors receive no compensation (save that common equity tier 1 instruments may be required to be issued to holders of written-down instruments). The write-down and conversion of capital instruments and liabilities power is not subject to the "no creditor worse off" safeguard (unlike the bail-in power described below).

The "bail-in" power gives the relevant U.K. Regulatory Authority the power, in relation to a failing relevant financial institution or a banking group company in respect of a bank, investment firm, E.U. institution or third-country institution (whether or not incorporated in the U.K.) which is failing or likely to fail, to cancel all or a portion of the principal amount of, or interest on, certain unsecured liabilities of a failing financial institution or its holding company, and/or to convert certain debt claims into another security, including ordinary shares of the surviving entity, if any. Under the Banking Act, such power could be utilised in relation to MSI plc were it to be failing or likely to fail, or were a bank, investment firm, E.U. institution or third-country institution (whether or not incorporated in the U.K.) in respect of which MSI plc is a banking group company to be failing or likely to fail. Were such power to be utilised in relation to MSI plc, it could be utilised in relation to securities issued by MSI plc or guarantee liabilities of MSI plc.

The Banking Act requires the relevant U.K. Regulatory Authority to apply the "bail-in" power in accordance with a specified preference order which differs from the ordinary insolvency order. In particular, the relevant U.K. Regulatory Authority must write-down or convert debts in the following order: (i) additional tier 1, (ii) tier 2, (iii) other subordinated claims and (iv) certain senior claims. The bail-in power is subject to the "no creditor worse off" safeguard, under which any shareholder or creditor which receives less favourable treatment than they would have had the institution entered into insolvency may be entitled to compensation.

Although the exercise of the bail-in power under the Banking Act is subject to certain pre-conditions, there remains uncertainty regarding the specific factors (including, but not limited to, factors outside the control of MSI plc or not directly related to MSI plc) which the relevant U.K. Regulatory Authority would consider in deciding whether to exercise such power with respect to MSI plc and its securities. Moreover, as the relevant U.K. Regulatory Authority may have considerable discretion in relation to how and when it may exercise such power, holders of securities issued or guaranteed by MSI plc may not be able to refer to publicly available criteria in order to anticipate a potential exercise of such power and consequently its potential effect on MSI plc and securities issued or guaranteed by MSI plc.

Other powers.

As well as a "write-down and conversion of capital instruments and liabilities power" and a "bail-in" power, the powers of the relevant U.K. Regulatory Authority under the Banking Act include broad powers to (i) direct the sale of the relevant financial institution or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply, (ii) transfer all or part of the business of the relevant financial institution to a "bridge institution" (an entity created for such purpose that is wholly or partially in public control) and (iii) separate assets by transferring impaired or problem assets to one or more publicly-owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only). The Bank of England has broad powers to make one or more share transfer instruments (in the case of a transfer to a private sector purchaser described in (i) or a transfer to a "bridge institution" in the case of (ii)) or one or more property transfer instruments (in all three cases). A transfer pursuant to a share transfer instrument or a property transfer instrument will take effect despite any restriction arising by virtue of contract or legislation or in any other way.

In addition, the Banking Act gives the relevant U.K. Regulatory Authority power to amend the maturity date and/or any interest payment date of debt instruments or other eligible liabilities of the relevant financial institution and/or impose a temporary suspension of payments and/or discontinue the listing and admission to trading of debt instruments.

The exercise by the relevant U.K. Regulatory Authority of any of the above powers under the Banking Act (including especially the write-down and conversion of capital instruments power and the bail-in power) could lead to the holders of securities issued or guaranteed by MSI plc losing some or all of their investment. Moreover, trading behaviour in relation to the securities issued or guaranteed by MSI plc, including market prices and volatility, may be affected by the use or any suggestion of the use of these powers and accordingly, in such circumstances, such securities are not necessarily expected to follow the trading behaviour associated with other types of securities. There can be no assurance that the taking of any actions under the Banking Act by the relevant U.K. Regulatory Authority or the manner in which its powers under the Banking Act are exercised will not materially adversely affect the rights of holders of securities issued or guaranteed by MSI plc, the market value of an investment in such securities and/or MSI plc's ability to satisfy its obligations under, or under its guarantee of, such securities.

Extraordinary public financial support to be used only as a last resort.

Subject to certain conditions being met, the Banking Act also makes provision for extraordinary public financial support to be provided to an institution subject to resolution in the form of provision of capital to such institution in exchange for common equity tier 1 instruments, additional tier 1 instruments or tier 2 instruments or in the form of taking such institution into temporary public ownership. However, such extraordinary public financial support should only be used as a last resort. Therefore, if MSI plc is subject to resolution, the relevant U.K. Regulatory Authority is only likely (if at all) to provide extraordinary public financial support only after it has assessed and exploited, to the maximum extent practicable, all other applicable resolution tools, including the bail-in power described above.

INFORMATION INCORPORATED BY REFERENCE

The following information shall be deemed to be incorporated by reference in, and to form part of, this Registration Document:

<u>Document filed</u>	<u>Information incorporated by reference</u>	<u>Page(s)</u>
Morgan Stanley		
1. Quarterly Report on Form 10-Q for the quarterly period ended 30 September 2022		
https://www.morganstanley.com/content/dam/msdotcom/en/about-us-ir/shareholder/10q0922.pdf	(1) Financial Information	1-72
	(2) Management's Discussion and Analysis of Financial Condition and Results of Operations	1-26
	(3) Quantitative and Qualitative Disclosures about Risk	27-34
	(4) Report of Independent Registered Public Accounting Firm	35
	(5) Consolidated Financial Statements and Notes	36-69
	(i) Consolidated Income Statement (Unaudited)	36
	(ii) Consolidated Comprehensive Income Statement (Unaudited)	36
	(iii) Consolidated Balance Sheet (Unaudited at 30 September 2022)	37
	(iv) Consolidated Statement of Changes in Total Equity (Unaudited)	38
	(v) Consolidated Cash Flow Statement (Unaudited)	39
	(vi) Notes to Consolidated Financial Statements (Unaudited)	40-69
	(6) Financial Data Supplement (Unaudited)	70
	(7) Glossary of Common Terms and Acronyms	71
	(8) Controls and Procedures	72

Document filed	Information incorporated by reference	Page(s)
	(9) Other Information	72
	(10) Legal Proceedings	72
	(11) Unregistered Sales of Equity Securities and Use of Proceeds	72
2. Quarterly Report on Form 10-Q for the quarterly period ended 30 June 2022	(1) Financial Information	1-71
https://www.morganstanley.com/content/dam/msdotcom/en/about-us-ir/shareholder/10q0622.pdf	(2) Management's Discussion and Analysis of Financial Condition and Results of Operations	1-26
	(3) Quantitative and Qualitative Disclosures about Risk	27-34
	(4) Report of Independent Registered Public Accounting Firm	35
	(5) Consolidated Financial Statements and Notes	36-68
	(i) Consolidated Income Statement (Unaudited)	36
	(ii) Consolidated Comprehensive Income Statement (Unaudited)	36
	(iii) Consolidated Balance Sheet (Unaudited at 30 June 2022)	37
	(iv) Consolidated Statement of Changes in Total Equity (Unaudited)	38
	(v) Consolidated Cash Flow Statement (Unaudited)	39
	(vi) Notes to Consolidated Financial Statements (Unaudited)	40-68
	(6) Financial Data Supplement (Unaudited)	69
	(7) Glossary of Common Terms and Acronyms	70
	(8) Controls and Procedures	71
	(9) Other Information	71
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	(11) Unregistered Sales of Equity Securities and Use of Proceeds	71

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3.	Proxy Statement dated 8 April 2022	(1) Overview of voting Items	5-11
	https://www.morganstanley.com/content/dam/msdotcom/en/about-us-2022ams/2022_Proxy_Statement.pdf	(2) Corporate Governance Matters	12-46
		(3) Audit Matters	47-51
		(4) Compensation Matters	52-86
		(5) Ownership of Our Stock	87-90
		(6) Shareholder Proposal	91-94
		(7) Information About the Annual Meeting	95-99
4.	Quarterly Report on Form 10-Q for the quarterly period ended 31 March 2022		
	https://www.morganstanley.com/content/dam/msdotcom/en/about-us-ir/shareholder/10q0322.pdf	(1) Financial Information	1-67
		(2) Management’s Discussion and Analysis of Financial Condition and Results of Operations	1-22
		(3) Quantitative and Qualitative Disclosures about Risk	23-30
		(4) Report of Independent Registered Public Accounting Firm	31
		(5) Consolidated Financial Statements and Notes	32-63
		(i) Consolidated Income Statement (Unaudited)	32
		(ii) Consolidated Comprehensive Income Statement (Unaudited)	32
		(iii) Consolidated Balance Sheet (Unaudited at 31 March 2022)	33
		(iv) Consolidated Statement of Changes in Total Equity (Unaudited)	34
		(v) Consolidated Cash Flow Statement (Unaudited)	35

<u>Document filed</u>	<u>Information incorporated by reference</u>	<u>Page(s)</u>
	(vi) Notes to Consolidated Financial Statements (Unaudited)	36-63
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	(7) Glossary of Common Terms and Acronyms	65
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	(10) Legal Proceedings	66
	(11) Unregistered Sales of Equity Securities and Use of Proceeds	66
5. Annual Report on Form 10-K for the year ended 31 December 2021	(1) Business	1-8
https://www.morganstanley.com/content/dam/msdotcom/en/about-us-ir/shareholder/10k2021/10k1221.pdf	(2) Management's Discussion and Analysis of Financial Condition and Results of Operations	21-51
	(3) Quantitative and Qualitative Disclosures about Risk	52-69
	(4) Report of Independent Registered Public Accounting Firm	70-71
	(5) Financial Statements and Supplementary Data	70-139
	(i) Consolidated Income Statement	72
	(ii) Consolidate Comprehensive Income Statement	72
	(iii) Consolidated Balance Sheet	73
	(iv) Consolidated Statement of Changes in Total Equity	74
	(v) Consolidated Cash Flow Statement	75
	(vi) Notes to Consolidated Financial Statements	76-139
	(vii) Financial Data Supplement	140-141
	(7) Glossary of Common Terms and Acronyms	142

Document filed	Information incorporated by reference	Page(s)
	(8) Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	143
	(9) Controls and Procedures	143-144
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	(11) Disclosure Regarding Foreign Jurisdictions that Prevent Inspections	145
	(12) Unresolved Staff Comments	145
	(13) Properties	145
	(14) Legal Proceedings	145-148
	(15) Mine Safety Disclosures	148
	(16) Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	148-149
	(17) Directors, Executive Officers and Corporate Governance	149
	(18) Executive Compensation	149
	(19) Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	149
	(20) Certain Relationships and Related Transactions and Director Independence	150
	(21) Principal Accountant Fees and Services	150
	(22) Form 10-K Summary	153
	(23) Signatures	153
Morgan Stanley & Co. International plc		
6.	Half-yearly financial report for the period ending 30 June 2022	(1) Directors' responsibility statement 14
	https://www.morganstanley.com/content/dam/msdotcom/en/about-us-ir/pdf/MSIP_Group_Accounts_30_June_2022.pdf	(2) Independent review report to Morgan Stanley & Co. International plc 15-16

Document filed	Information incorporated by reference	Page(s)
	(3) Condensed consolidated income statement	17
	(4) Condensed consolidated statement of comprehensive income	18
	(5) Condensed consolidated statement of changes in equity	19
	(6) Condensed consolidated statement of financial position	20
	(7) Condensed consolidated statement of cash flows	21
	(8) Notes to the condensed consolidated financial statements	22-47
7. Report and financial statements for the year ended 31 December 2021 https://www.morganstanley.com/content/dam/msdotcom/en/about-us-ir/pdf/MSIP_Group_Accounts_31_December_2021.pdf	(1) Independent auditor's report	41-48
	(2) Consolidated income statement	49
	(3) Consolidated statement of comprehensive income	50
	(4) Consolidated statement of changes in equity	51
	(5) Company statement of changes in equity	52
	(6) Consolidated statement of financial position	53
	(7) Company statement of financial position	54
	(8) Consolidated statement of cash flows	55
	(9) Notes to the consolidated financial statements	56-148
	(10) Appendix to the financial statements: List of subsidiaries	149-150
8. Report and financial statements for the year ended 31 December 2020 https://sp.morganstanley.com/EU/Download/GeneralDocument?documentID=63029	(1) Independent auditor's report	46-53

<u>Document filed</u>	<u>Information incorporated by reference</u>	<u>Page(s)</u>
194-34c7-4960-a2b3-48b10eff8241	(2) Consolidated Income statement	54
	(3) Consolidated Statement of comprehensive income	55
	(4) Consolidated and MSI plc statement of changes in equity	56-57
	(5) Consolidated and MSI plc statement of financial position	58-59
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	(7) Notes to the consolidated and MSI plc financial statements	61-147
	(8) Appendix to the financial statements: List of subsidiaries	146-147
Morgan Stanley B.V.		
9. Interim financial report for the period ending 30 June 2022	(1) Directors' responsibility statement	7
https://www.morganstanley.com/content/dam/msdotcom/en/about-us-ir/pdf/morgan-stanley-bv-interim-financial-report-30-june-2022.pdf	(2) Condensed statement of comprehensive income	8
	(3) Condensed statement of changes in equity	9
	(4) Condensed statement of financial position	10
	(5) Condensed statement of cash flows	11
	(6) Notes to the condensed financial statements	12-37
	(7) Independent Auditor's review report to the shareholders of Morgan Stanley B.V.	38-39
10. Report and financial statements for the year ended 31 December 2021	(1) Directors' responsibilities statement	11
https://www.morganstanley.com/content/dam/msdotcom/appdata/4061_MSBV_2021_Financial_Statements_31_Dec_2021.xhtml	(2) Statement of comprehensive income	12
	(3) Statement of changes in equity	13

<u>Document filed</u>	<u>Information incorporated by reference</u>	<u>Page(s)</u>
	(4) Statement of financial position	14
	(5) Statement of cash flows	15
	(6) Notes to the financial statements	16-68
	(7) Additional Information	69
	(8) Independent auditors' report	70-79
11. Report and financial statements for the year ended 31 December 2020	(1) Directors' responsibilities statement	12
	(2) https://sp.morganstanley.com/EU/Download/GeneralDocument?documentID=d810fca8-9355-4eda-a007-64fc89b0a1be	13
	(3) Statement of changes in equity	14
	(4) Statement of financial position	15
	(5) Statement of cash flows	16
	(6) Notes to the financial statements	17
	(7) Additional Information	69
	(8) Independent auditors' report	70-77
Morgan Stanley Finance LLC¹		
12. Interim financial report for the period ending 30 June 2022	(1) Directors' responsibility statement	8
	(2) https://www.morganstanley.com/content/dam/msdotcom/en/about-us-ir/shareholder/morgan-stanley-finance-llc-interim-financial-report-30-june-2022.pdf	9
	(3) Statements of comprehensive income	10
	(4) Statements of cash flows	11
	(5) Statements of changes in member's equity (deficit)	12

¹ **NB** - The pdf page numbers were used to refer to the relevant pages of the financial statements of Morgan Stanley Finance LLC

<u>Document filed</u>	<u>Information incorporated by reference</u>	<u>Page(s)</u>
	(6) Notes to the financial statements	13-26
	(7) Glossary of Common Terms and Acronyms	27
13. Report and financial statements for the year ended 31 December 2021	(1) Director's responsibility statement	On the fourth page before the statement of financial conditions
The page numbers here are in reference to the printed pages as they appear on the link below: https://www.morganstanley.com/content/dam/msdotcom/appdata/MSF_2021_FS.xml	(2) Independent Auditor's Report	Starts three pages before the statement of financial conditions and ends on the page before the statement of financial conditions
The page numbers here are in reference to the page numbers as they appear on the bottom of the pages in the link above:	(3) Statement of financial condition	3
	(4) Statement of comprehensive income (loss)	4
	(5) Statement of cash flows	5
	(6) Statement of changes in member's equity (deficit)	6
	(7) Notes to the Financial Statements	7-20
	(8) Glossary of common terms and acronyms	21
14. Report and financial statements for the year ended 31 December 2020	(1) Director's responsibility statement	10
https://sp.morganstanley.com/EU/Download/GeneralDocument?documentID=0a1ed10c-5bf2-4ba2-b6ad-eaf70195bb61		

<u>Document filed</u>	<u>Information incorporated by reference</u>	<u>Page(s)</u>
	(2) Independent Auditor's Report	12
	(3) Statement of financial condition	13
	(4) Statement of comprehensive income (loss)	14
	(5) Statement of cash flows	15
	(6) Statement of changes in member's equity (deficit)	16
	(7) Notes to the Financial Statements	17-31
	(8) Glossary of common terms and acronyms	32

Any statement contained in this Registration Document or any documents incorporated by reference herein, shall be deemed to be modified or superseded for the purpose of this Registration Document to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such statement.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Registration Document.

The non-incorporated parts of the documents listed above are as follows:

<u>Document filed</u>	<u>Information not incorporated by reference</u>	<u>Page(s)</u>
Morgan Stanley		
1. Quarterly Report on Form 10-Q for the quarterly period ended 30 September 2022	(a) Risk Factors	72
	(b) Exhibits	73
2. Quarterly Report on Form 10-Q for the quarterly period ended 30 June 2022	(a) Risk Factors	71
	(b) Exhibits	72
3. Quarterly Report on Form 10-Q for the quarterly period ended 31 March 2022	(a) Risk Factors	66
	(b) Exhibits	67
4. Annual Report on Form 10-K for the year ended 31 December 2021	(a) Risk Factors	9-20
	(b) Exhibits and Financial Statement Schedules	150
	(c) Exhibit Index	150-153

	<u>Document filed</u>		<u>Information not incorporated by reference</u>	Page(s)
	Morgan Stanley & Co. International plc			
5.	Half-yearly financial report for the period ending 30 June 2022	(a)	Interim management report	3-13
6.	Report and financial statements for the year ended 31 December 2021	(a)	Strategic report	3-30
		(b)	Directors' report	37-40
7.	Report and financial statements for the year ended 31 December 2020	(a)	Strategic report	3-36
		(b)	Directors' report	43-45
	Morgan Stanley B.V.			
8.	Interim financial report for the period ending 30 June 2022	(a)	Interim management report	1-6
9.	Report and financial statements for the year ended 31 December 2021	(a)	Directors' report	1-10
10.	Report and financial statements for the year ended 31 December 2020	(a)	Directors' report	1-11

Morgan Stanley's Quarterly Report on Form 10-Q for the quarterly period ended 30 September 2022 (at page 20), incorporated by reference, includes details of the long-term and short-term credit ratings assigned to Morgan Stanley by DBRS, Inc. ("**DBRS**"), Fitch Ratings, Inc. ("**Fitch**"), Moody's, Rating and Investment Information, Inc. ("**R&I**") and S&P. MSI plc's Annual Report for the year ended 31 December 2021 (at page 12), incorporated by reference, includes details of the long-term and short-term credit ratings assigned to MSI plc by Moody's and S&P. MSFL's Annual Report for the year ended 31 December 2021 (at page 3), incorporated by reference, includes details of the long-term credit rating assigned to MSFL by S&P.

DBRS is established in Delaware, United States of America. The rating DBRS has assigned to Morgan Stanley may be endorsed by DBRS Ratings Limited or DBRS Ratings GmbH, each a rating agency which is established in the European Economic Area (the "**EEA**") and registered under Regulation 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**") by the relevant competent authority.

Fitch is not established in the EEA but the ratings it has assigned to each of Morgan Stanley and MSFL are endorsed by Fitch Ratings Limited, a rating agency established in the EEA and registered under the CRA Regulation by the relevant competent authority. In the event Fitch Ratings Limited is no longer an ESMA-registered CRA, Fitch intends to have the ratings assigned to each of Morgan Stanley and MSFL endorsed by Fitch Ratings España S.A.U. a rating agency established in the EEA and registered under the CRA Regulation by the relevant competent authority.

Moody's is not established in the EEA but the ratings it has assigned to each of Morgan Stanley, MSI plc and MSFL are endorsed by Moody's Deutschland GmbH, a rating agency established in the EEA and registered under the CRA Regulation by the relevant competent authority.

R&I is not incorporated in the EEA and is not registered under the CRA Regulation.

Each of Morgan Stanley's, MSI plc's and MSFL's credit ratings are assigned by Standard & Poor's Financial Services LLC. Standard & Poor's Financial Services LLC is not established in the EEA but the credit rating it has assigned to each of Morgan Stanley, MSI plc and MSFL are endorsed by S&P Global Ratings Europe Limited, a credit rating agency established in the EEA and registered under the CRA Regulation by ESMA.

AVAILABILITY OF THE DOCUMENTS

This Registration Document and any supplement thereto will be published on the websites of (a) the Luxembourg Stock Exchange (www.bourse.lu) and (b) Morgan Stanley, MSI plc, MSBV and MSFL (<http://sp.morganstanley.com/EU/Documents>).

Each of Morgan Stanley, MSI plc, MSBV and MSFL will, at its principal executive offices (in the case of Morgan Stanley) or at its registered office (in the case of MSI plc, MSBV or MSFL) and during the period of twelve months after the date of publication of this Registration Document, make available for inspection during normal business hours and free of charge, upon oral or written request:

- (a) a copy of this Registration Document and any document containing the sections relating to such company incorporated by reference in this Registration Document;
- (b) the Certificate of Incorporation and Amended and Restated By-laws of Morgan Stanley (these shall not be available at the registered office of MSI plc, MSBV or MSFL);
- (c) the Certificate of Incorporation and the Articles of Association of MSI plc (these shall not be available at the principal office of Morgan Stanley or the registered office of MSBV or MSFL);
- (d) the Deed of Incorporation of MSBV (this shall not be available at the principal office of Morgan Stanley or the registered office of MSI plc or MSFL);
- (e) the Limited Liability Company Agreement of MSFL (this shall not be available at the principal office of Morgan Stanley or the registered office of MSI plc or MSBV);
- (f) all reports, letters, and other documents, valuations and statements (if any) prepared by any expert at the request of such company which is included or referred to in this Registration Document.

The documents listed under limbs (a) and (c) – (f) above are also available on Morgan Stanley's webpage at www.sp.morganstanley.com/EU/Documents.

The documents listed under limb (b) are also available on Morgan Stanley's webpage at <https://www.morganstanley.com/about-us-governance>.

In addition to the documents incorporated by reference in this Registration Document, Morgan Stanley files annual, quarterly and current reports, proxy statements and other information with the SEC. Investors may read and copy any document that Morgan Stanley files with the SEC at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at +1-800-SEC-0330 for information on the public reference room. The SEC maintains an internet site that contains annual, quarterly and current reports, proxy and information statements and other information that issuers (including Morgan Stanley) file electronically with the SEC. Morgan Stanley's electronic SEC filings are available to the public at the SEC's internet site www.sec.gov. Morgan Stanley also makes available, through its Investor Relations webpage, a link to the SEC's internet site. You can access Morgan Stanley's Investor Relations webpage at www.morganstanley.com/about-us-ir. The information contained on Morgan Stanley's website shall not form part of this Registration Document, unless such information has been expressly incorporated herein.

DESCRIPTION OF MORGAN STANLEY

1. INFORMATION ABOUT MORGAN STANLEY

History and development of Morgan Stanley

Legal name, place of registration and registration number, date of incorporation

Morgan Stanley was originally incorporated for an unlimited term under the laws of the State of Delaware on 1 October 1981 under registered number 0923632, and its predecessor companies date back to 1924. Morgan Stanley is a financial holding company regulated by the Federal Reserve under the BHC Act.

Registered office

Morgan Stanley has its registered office at The Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, U.S., and its principal executive office at 1585 Broadway, New York, NY 10036, U.S., telephone number +1 (212) 761 4000.

Webpage

Morgan Stanley's Investor Relations webpage is www.morganstanley.com/about-us-ir. The information contained on Morgan Stanley's website shall not form part of this Registration Document, unless such information has been expressly incorporated herein.

Legal and commercial name

As at the date of this Registration Document, Morgan Stanley's legal and commercial name is "Morgan Stanley".

Legal Entity Identifier (LEI)

Morgan Stanley's LEI is IGJSJL3JD5P30I6NJZ34.

Credit Ratings

Morgan Stanley has been assigned the following credit ratings:

	Short-Term Debt	Long-Term Debt	Ratings Outlook
DBRS	R-1 (middle)	A (high)	Stable
Fitch	F1	A+	Stable
Moody's	P-1	A1	Stable
R&I	a-1	A	Stable
S&P	A-2	A-	Stable

The meaning of the above credit ratings is as follows:

	Short-Term Debt	Long-Term Debt
DBRS	Superior credit quality. The capacity for the payment of short-term financial obligations as they fall due is very high. Differs from R-1 (high) by a relatively modest degree. Unlikely to be significantly vulnerable to future events.	Good credit quality. The capacity for the payment of financial obligations is substantial, but of lesser quality than AA. May be vulnerable to future events, but qualifying negative factors are considered manageable. All rating categories other than AAA and D also contain subcategories "(high)" and "(low)". The absence of either a "(high)" or "(low)" designation indicates the rating is in the middle of the category.
Fitch	Highest Short-Term Credit Quality. Indicates the strongest intrinsic capacity for timely payment of financial commitments.	High credit quality. 'A' ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This

	Short-Term Debt	Long-Term Debt
Moody's	Issuers (or supporting institutions) rated Prime-1 have a superior ability to repay short-term debt obligations.	capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings. The modifiers '+' or '-' may be appended to a rating to denote relative status within major rating categories. Obligations rated A are considered upper-medium-grade and are subject to low credit risk. Moody's appends numerical modifiers 1, 2 and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.
R&I	Certainty of the fulfilment of a short-term obligation is high.	High creditworthiness supported by a few excellent factors. A plus (+) or minus (-) sign may be appended to the categories from AA to CCC to indicate relative standing within each rating category.
S&P	A short-term obligation rated 'A-2' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rating categories. However, the obligor's capacity to meet its financial commitments on the obligation is satisfactory.	An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong. Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories.

A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

The following is an extract from the section entitled "*Business Segments*", "*Competition*" and "*Supervision and Regulation*" on pages 1-6 of Morgan Stanley's Annual Report on Form 10-K for the year ended 31 December 2021. References to the "Parent Company" are references to Morgan Stanley.

Business Segments

Morgan Stanley is a global financial services firm that maintains significant market positions in each of its business segments: Institutional Securities, Wealth Management and Investment Management. Through its subsidiaries and affiliates, Morgan Stanley 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.

Competition

All aspects of Morgan Stanley's businesses are highly competitive, and Morgan Stanley expects them to remain so. Morgan Stanley competes in the U.S. and globally for clients, market share and human talent. Operating within the financial services industry on a global basis presents, among other things, technological, risk management, regulatory and other infrastructure challenges that require effective

resource allocation in order for Morgan Stanley to remain competitive. Its competitive position depends on a number of factors, including its reputation, the quality and consistency of its long-term investment performance, innovation, execution, relative pricing or other factors including entering into new, or expanding current, businesses as a result of acquisitions and other strategic initiatives. Morgan Stanley's ability to sustain or improve its competitive position also depends substantially on its ability to continue to attract and retain highly qualified employees while managing compensation and other costs. Morgan Stanley competes with commercial banks, brokerage firms, insurance companies, exchanges, electronic trading and clearing platforms, financial data repositories, sponsors of mutual funds, hedge funds and private equity funds, energy companies, financial technology firms and other companies offering financial or ancillary services in the U.S. and globally as well as digitally, including through the internet. In addition, restrictive laws and regulations applicable to certain financial services institutions, which may prohibit it from engaging in certain transactions and impose more stringent capital and liquidity requirements, can put Morgan Stanley at a competitive disadvantage to competitors in certain businesses not subject to these same requirements. See also "Supervision and Regulation" below and "Risk Factors" above.

Morgan Stanley competes directly in the U.S. and globally with other securities and financial services firms and broker-dealers and with others on a regional or product basis. Additionally, there is increased competition driven by established firms and asset managers as well as the emergence of new firms and business models (including innovative uses of technology) competing for the same clients and assets or offering similar products and services to retail and institutional customers. Morgan Stanley also competes with companies that provide online trading and banking services, investment advisor services, robo-advice capabilities, access to digital asset capabilities and services, and other financial products and services.

Morgan Stanley's ability to access capital at competitive rates (which is generally impacted by its credit ratings), to commit and to deploy capital efficiently, particularly in its capital-intensive underwriting and sales, trading, financing and market-making activities, also affects its competitive position. Morgan Stanley expects corporate clients to continue to request that Morgan Stanley provide loans or lending commitments in connection with certain investment banking activities.

It is possible that competition may become even more intense as Morgan Stanley continues to compete with financial or other institutions that may be larger, or better capitalised, or may have a stronger local presence and longer operating history in certain geographies or products. Many of these firms have the ability to offer a wide range of products and services, and on different platforms, that may enhance their competitive position and could result in pricing pressure on Morgan Stanley's businesses.

Morgan Stanley continues to experience price competition in some of its businesses. In particular, the ability to execute securities, derivatives and other financial instruments trades electronically on exchanges, swap execution facilities and other automated trading platforms, and the introduction and application of new technologies will likely continue the pressure on revenues. The trend toward direct access to automated, electronic markets will likely continue as additional markets move to more automated platforms. Morgan Stanley have experience and will likely continue to experience competitive pressures in these and other areas in the future.

Morgan Stanley's ability to compete successfully in the investment management industry is affected by several factors, including Morgan Stanley's reputation, investment objectives, quality of investment professionals, performance of investment strategies or product offerings relative to peers and appropriate benchmark indices, advertising and sales promotion efforts, fee levels, the effectiveness of and access to distribution channels and investment pipelines, and the types and quality of products offered. Morgan Stanley's investment products, including alternative investment products, may compete with investments offered by other investment managers with passive investment products or who may be subject to less stringent legal and regulatory regimes than Morgan Stanley.

Supervision and Regulation

As a major financial services firm, Morgan Stanley is subject to extensive regulation by U.S. federal and state regulatory agencies and securities exchanges and by regulators and exchanges in each of the major markets where it conduct its business.

Morgan Stanley continues to monitor the changing political, tax and regulatory environment. While it is likely that there will be changes in the way major financial institutions are regulated in both the U.S. and other markets in which Morgan Stanley operates, it remains difficult to predict the exact impact these

changes will have on Morgan Stanley's business, financial condition, results of operations and cash flows for a particular future period. Morgan Stanley expects to remain subject to extensive supervision and regulation.

Financial Holding Company

Consolidated Supervision. Morgan Stanley operates as a bank holding company ("**BHC**") and financial holding company ("**FHC**") under the BHC Act and are subject to comprehensive consolidated supervision, regulation and examination by the Federal Reserve. In particular, Morgan Stanley is subject to (among other things): significantly revised and expanded regulation and supervision; intensive scrutiny of its businesses and plans for expansion of those businesses; limitations on activities; a systemic risk regime that imposes heightened capital and liquidity requirements; restrictions on activities and investments imposed by a section of the BHC Act added by the Dodd-Frank Act referred to as the "Volcker Rule"; and comprehensive derivatives regulation. In addition, the Consumer Financial Protection Bureau ("**CFPB**") has primary rulemaking, enforcement and examination authority over Morgan Stanley and its subsidiaries with respect to federal consumer protection laws, to the extent applicable.

Scope of Permitted Activities. The BHC Act limits the activities of BHCs and FHCs and grants the Federal Reserve authority to limit Morgan Stanley's ability to conduct activities. Morgan Stanley must obtain the Federal Reserve's approval before engaging in certain banking and other financial activities both in the U.S. and internationally.

The BHC Act grandfathers "activities related to the trading, sale or investment in commodities and underlying physical properties," provided that Morgan Stanley was engaged in "any of such activities as of 30 September 1997 in the U.S." and provided that certain other conditions that are within Morgan Stanley's reasonable control are satisfied. Morgan Stanley currently engages in its commodities activities pursuant to the BHC Act grandfather exemption as well as other authorities under the BHC Act.

Activities Restrictions under the Volcker Rule. The Volcker Rule prohibits banking entities, including Morgan Stanley and its affiliates, from engaging in certain proprietary trading activities, as defined in the Volcker Rule, subject to exemptions for underwriting, market-making-, risk-mitigating hedging and certain other activities. The Volcker Rule also prohibits certain investments and relationships by banking entities with covered funds, as defined in the Volcker Rule, subject to a number of exemptions and exclusions. In addition, there was an extension until July 2022 for certain legacy covered funds.

Morgan Stanley requested and received additional time until July 21, 2023 to conform investments in certain legacy illiquid funds. Morgan Stanley is continuing its efforts to conform these illiquid funds by July 21, 2023, including but not limited to assessing alternative conformance options permitted under the Volcker Rule. As a result, as of September 30, 2022, Morgan Stanley continued to estimate the fair value of our investments in such covered funds using the net asset value per share ("**NAV**"), which approximated \$300 million.

Capital Requirements. The Federal Reserve establishes capital requirements, largely based on the Basel III capital standards established by the Basel Committee on Banking Supervision ("**Basel Committee**"), including well-capitalised standards, for large BHCs and evaluates Morgan Stanley's compliance with such requirements. The Office of the Comptroller of the Currency (the "**OCC**") establishes similar capital requirements and standards for Morgan Stanley Bank, N.A. ("**MSBNA**"), Morgan Stanley Private Bank, National Association ("**MSPBNA**"), E*TRADE Bank ("**ETB**") and E*TRADE Savings Bank ("**ETSB**"), a wholly owned subsidiary of ETB, (collectively, Morgan Stanley's "**U.S. Bank Subsidiaries**"). On January 1, 2022, ETSB merged with and into ETB, and subsequently ETB merged with and into MSPBNA, with MSPBNA as the surviving bank.

The Basel Committee has published a comprehensive set of revisions to its Basel III Framework. The impact on Morgan Stanley of any revisions to the Basel Committee's capital standards is uncertain and depends on future rulemakings by the U.S. banking agencies.

Moreover, many of Morgan Stanley's regulated subsidiaries are subject to regulatory capital requirements, including regulated subsidiaries provisionally registered as swap dealers with the CFTC or security-based swap dealers with the SEC or registered as broker-dealers or futures commission merchants.

Capital Planning, Stress Tests and Capital Distributions: The Federal Reserve has adopted capital planning and stress test requirements for large BHCs, including Morgan Stanley.

In addition, the Federal Reserve, the OCC and the FDIC have the authority to prohibit or to limit the payment of dividends by the banking organisations they supervise, including Morgan Stanley and its U.S. Bank Subsidiaries, if, in the banking regulator's opinion, payment of a dividend would constitute an unsafe or unsound practice in light of the financial condition of the banking organisation. All of these policies and other requirements could affect Morgan Stanley's ability to pay dividends and/or repurchase stock, or require Morgan Stanley to provide capital assistance to its U.S. Bank Subsidiaries under circumstances that Morgan Stanley would not otherwise decide to do.

Liquidity Standards. In addition to capital regulations, the U.S. banking agencies have adopted liquidity and funding standards, including the liquidity coverage ratio and net stable funding ratio, as adopted by the U.S. banking agencies, liquidity stress testing and associated liquidity reserve requirements.

Systemic Risk Regime. Under rules issued by the Federal Reserve large BHCs, including Morgan Stanley, must conduct internal liquidity stress tests, maintain unencumbered highly liquid assets to meet projected net cash outflows for 30 days over the range of liquidity stress scenarios used in internal stress tests, and comply with various liquidity risk management requirements. These large BHCs also must comply with a range of risk management and corporate governance requirements.

The Federal Reserve also imposes single-counterparty credit limits ("**SCCL**") for large banking organisations. U.S. G-SIBs, including Morgan Stanley, are subject to a limit of 15 per cent. of Tier 1 capital for aggregate net credit exposures to any "major counterparty" (defined to include other U.S. G-SIBs, foreign G-SIBs, and non-bank systemically important financial institutions supervised by the Federal Reserve). In addition, Morgan Stanley is subject to a limit of 25 per cent. of Tier 1 capital for aggregate net credit exposures to any other unaffiliated counterparty.

The Federal Reserve has proposed rules that would create a new early remediation framework to address financial distress or material management weaknesses. The Federal Reserve also has the ability to establish additional prudential standards, including those regarding contingent capital, enhanced public disclosures and limits on short-term debt, including off-balance sheet exposures.

If the Federal Reserve or the Financial Stability Oversight Council determines that a BHC with \$250 billion or more in consolidated assets poses a "grave threat" to U.S. financial stability, the institution may be, among other things, restricted in its ability to merge or offer financial products and/or required to terminate activities and dispose of assets.

See also "Capital Requirements" and "Liquidity Requirements" above and "Resolution and Recovery Planning" herein.

Resolution and Recovery Planning. Morgan Stanley are required to submit once every two years to the Federal Reserve and the FDIC a resolution plan that describes its strategy for a rapid and orderly resolution under the U.S. Bankruptcy Code in the event of Morgan Stanley's material financial distress or failure. Interim updates are required in certain limited circumstances, including material mergers or acquisitions or fundamental changes to Morgan Stanley's resolution strategy. Morgan Stanley's preferred resolution strategy, which is set out in its most resolution plan, is an SPOE strategy, which generally contemplates the provision of adequate capital and liquidity by the Parent Company to certain of its subsidiaries so that such subsidiaries have the resources necessary to implement the resolution strategy after the Parent Company has filed for bankruptcy.

Further, Morgan Stanley submits an annual recovery plan to the Federal Reserve that outlines the steps that management could take over time to generate or conserve financial resources in times of prolonged financial stress. Certain of Morgan Stanley's domestic and foreign subsidiaries are also subject to resolution and recovery planning requirements in the jurisdictions in which they operate. For example, the FDI currently requires certain insured depository institutions ("**IDI**"), including MSBNA and MSPBNA, to submit a resolution plan every three years that describes the IDI's strategy for a rapid and orderly resolution in the event of material financial distress or failure of the IDI.

In addition, certain financial companies, including BHCs such as the Firm and certain of its subsidiaries, can be subject to a resolution proceeding under the orderly liquidation authority, with the FDIC being

appointed as receiver, provided that determination of extraordinary financial distress and systemic risk is made by the U.S. Treasury Secretary in consultation with the U.S. President. Regulators have adopted certain orderly liquidation authority implementing regulations and may expand or clarify these regulations in the future. If Morgan Stanley were subject to the orderly liquidation authority, the FDIC would have considerable powers, including: the power to remove directors and officers responsible for Morgan Stanley's failure and to appoint new directors and officers; the power to assign Morgan Stanley's assets and liabilities to a third party or bridge financial company without the need for creditor consent or prior court review; the ability to differentiate among Morgan Stanley's creditors, including treating certain creditors within the same class better than others, subject to a minimum recovery right on the part of disfavoured creditors to receive at least what they would have received in bankruptcy liquidation; and broad powers to administer the claims process to determine distributions from the assets of the receivership. The FDIC has been developing an SPOE strategy that could be used to implement the orderly liquidation authority. Regulators have also taken and proposed various actions to facilitate an SPOE strategy under the U.S. Bankruptcy Code, the orderly liquidation authority or other resolution regimes.

Cyber and Information Security Risk Management and Protection of Client Information

The financial services industry faces increased global regulatory focus regarding cyber and information security risk management practices. Many aspects of Morgan Stanley's businesses are subject to cybersecurity legal and regulatory requirements enacted by U.S. federal and state governments and other non-U.S. jurisdictions. These laws are generally aimed at codifying basic cybersecurity protections and mandating data breach notification requirements.

Morgan Stanley's businesses are also subject to increasing privacy and data protection legal requirements concerning the use and protection of certain personal information. These requirements impose mandatory privacy and data protection obligations, including providing for individual rights, enhanced governance and accountability requirements, and significant fines and litigation risk for noncompliance. In addition, several jurisdictions have enacted or proposed personal data localisation requirements and restrictions on cross-border transfer of personal data that may restrict Morgan Stanley's ability to conduct business in those jurisdictions or create additional financial and regulatory burdens to do so.

Many aspects of Morgan Stanley's businesses are subject to legal requirements concerning the use and protection of certain customer information, as well as the privacy and cybersecurity laws referenced above. Morgan Stanley has adopted measures designed to comply with these and related applicable requirements in all relevant jurisdictions.

U.S. Bank Subsidiaries

Morgan Stanley's U.S. Bank Subsidiaries are FDIC-insured depository institutions subject to supervision, regulation and examination by the OCC and are subject to the OCC's risk governance guidelines, which establish heightened standards for a large IDI's risk governance framework and the oversight of that framework by the IDI's board of directors. The U.S. Bank Subsidiaries are also subject to prompt corrective action standards, which require the relevant federal banking regulator to take prompt corrective action with respect to a depository institution if that institution does not meet certain capital adequacy standards. In addition, BHCs, such as Morgan Stanley, are required to serve as a source of strength to their U.S. bank subsidiaries and commit resources to support these subsidiaries in the event such subsidiaries are in financial distress.

Morgan Stanley's U.S. Bank Subsidiaries are also subject to Sections 23A and 23B of the Federal Reserve Act, which impose restrictions on certain transactions with affiliates, including any extension of credit to, or purchase of assets from an affiliate. These restrictions limit the total amount of credit exposure that Morgan Stanley's U.S. Bank Subsidiaries may have to any one affiliate and to all affiliates and require collateral for those exposures. Section 23B requires affiliate transactions to be on market terms.

As commonly controlled FDIC-insured depository institutions, each of the U.S. Bank Subsidiaries could be responsible for any loss to the FDIC from the failure of another U.S. Bank Subsidiary. In addition, the four institutions are exposed to changes in the cost of FDIC insurance.

Institutional Securities and Wealth Management

Broker-Dealer and Investment Adviser Regulation. Morgan Stanley's primary U.S. broker-dealer subsidiaries, Morgan Stanley & Co. LLC ("MS & Co."), MSSB and E*TRADE Securities LLC, are registered broker-dealers with the SEC and in all 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands, and are members of various self-regulatory organizations, including Financial Industry Regulatory Authority, Inc. ("FINRA") and various securities exchanges and clearing organizations. Broker-dealers are subject to laws and regulations covering all aspects of the securities business, including sales and trading practices, securities offerings, publication of research reports, use of customers' funds and securities, capital structure, risk management controls in connection with market access, recordkeeping and retention, and the conduct of their directors, officers, representatives and other associated persons. Broker-dealers are also regulated by securities administrators in those states where they do business. Morgan Stanley's broker-dealer subsidiaries are members of the Securities Investor Protection Corporation.

MSSB is also a registered investment adviser with the SEC. MSSB's relationship with its investment advisory clients is subject to the fiduciary and other obligations imposed on investment . The SEC and other supervisory bodies generally have broad administrative powers to address noncompliance, including the power to restrict or limit MSSB from carrying on its investment advisory and other asset management activities.

The Firm is subject to various regulations that affect broker-dealer sales practices and customer relationships, including the SEC's "Regulation Best Interest," which requires broker-dealers to act in the "best interest" of retail customers at the time a recommendation is made without placing the financial or other interests of the broker-dealer ahead of the interest of the retail customer. Margin lending by Morgan Stanley's broker-dealers is regulated by the Federal Reserve's restrictions on lending in connection with customer and proprietary purchases and short sales of securities. Morgan Stanley's broker-dealers are also subject to maintenance and other margin requirements imposed under FINRA and other self-regulatory organization rules.

Morgan Stanley's U.S. broker-dealer subsidiaries are subject to the SEC's net capital rule and the net capital requirements of various exchanges, other regulatory authorities and self-regulatory organizations. For more information about these requirements, see Note 17 to the financial statements..

Research. In addition to research-related regulations currently in place in the U.S. and other jurisdictions, regulators continue to focus on research conflicts of interest and may impose additional regulations.

Regulation of Futures Activities and Certain Commodities Activities. Activities and Certain Commodities Activities. MS & Co. and E*TRADE Futures LLC, as futures commission merchants, and MSSB, as an introducing broker, are subject to net capital requirements of, and certain of their activities are regulated by, the CFTC, the NFA, the Joint Audit Committee (including the CME Group, in its capacity as MS & Co.'s designated self-regulatory organization), and various commodity futures exchanges. Rules and regulations of the CFTC, NFA, the Joint Audit Committee (including the CME Group) and commodity futures exchanges address obligations related to, among other things, customer asset protections, including rules and regulations governing the segregation of customer funds, the use by futures commission merchants of customer funds, the margining of customer accounts and documentation entered into by futures commission merchants with their customers, recordkeeping and reporting obligations of futures commission merchants and introducing brokers, risk disclosure and risk management.

Morgan Stanley's commodities activities are subject to extensive and evolving laws and regulations in the U.S. and abroad.

Derivatives Regulation. Morgan Stanley is subject to comprehensive regulation of its derivatives businesses, including regulations that impose margin requirements, public and regulatory reporting, central clearing and mandatory trading on regulated exchanges or execution facilities for certain types of swaps and security-based swaps (collectively, "Swaps.") CFTC and SEC rules require registration of swap dealers and security-based swap dealers, respectively, and impose numerous obligations on such registrants, including adherence to business conduct standards for all in-scope Swaps. Morgan Stanley have provisionally or conditionally registered a number of U.S. and non-U.S. swap dealers and security-based swap dealers. Swap dealers and security-based swap dealers regulated by a prudential regulator are subject to uncleared Swap margin requirements and minimum capital requirements established by the prudential regulators. Swap dealers and security-based swap dealers not subject to regulation by a prudential regulator

are subject to uncleared Swap margin requirements and minimum capital requirements established by the CFTC and SEC, respectively. In some cases, the CFTC and SEC permit non-U.S. swap dealers and security-based swap dealers that do not have a prudential regulator to comply with applicable non-U.S. uncleared Swap margin and minimum capital requirements instead of direct compliance with CFTC or SEC requirements.

Investment Management

Many of the subsidiaries engaged in Morgan Stanley's investment management activities are registered as investment advisers with the SEC. Many aspects of Morgan Stanley's investment management activities are also subject to federal and state laws and regulations primarily intended to benefit the investor or client. These laws and regulations generally grant supervisory agencies and bodies broad administrative powers, including the power to limit or restrict Morgan Stanley from carrying on Morgan Stanley's investment management activities in the event that Morgan Stanley fails to comply with such laws and regulations.

In addition, certain of Morgan Stanley's subsidiaries are U.S. registered broker-dealers and act as distributors to their proprietary mutual funds and as placement agents to certain private investment funds managed by Morgan Stanley's Investment Management business segment. Certain of Morgan Stanley's affiliates are registered as commodity trading advisors and/or commodity pool operators, or are operating under certain exemptions from such registration pursuant to CFTC rules and other guidance, and have certain responsibilities with respect to each pool they advise. Morgan Stanley's investment management activities are subject to additional laws and regulations, including restrictions on sponsoring or investing in, or maintaining certain other relationships with, covered funds, as defined by the Volcker Rule, subject to certain limited exemptions. See also "*Financial Holding Company—Activities Restrictions under the Volcker Rule*," "*Institutional Securities and Wealth Management—Broker-Dealer and Investment Adviser Regulation*," "*Institutional Securities and Wealth Management—Regulation of Futures Activities and Certain Commodities Activities*," and "*Institutional Securities and Wealth Management—Derivatives Regulation*" herein and "*Non-U.S. Regulation*" herein for a discussion of other regulations that impact Morgan Stanley's Investment Management business activities.

U.S. Consumer Protection

Morgan Stanley is subject to supervision and regulation by the CFPB with respect to U.S. federal consumer protection laws. Federal consumer protection laws to which Morgan Stanley is subject include the Privacy of Consumer Financial Information Act, Equal Credit Opportunity Act, Home Mortgage Disclosure Act, Electronic Fund Transfer Act, Fair Credit Reporting Act, Real Estate Settlement Procedures Act, Truth in Lending Act and Truth in Savings Act, all of which are enforced by the CFPB. Morgan Stanley is also subject to certain federal consumer protection laws enforced by the OCC, including the Servicemembers Civil Relief Act. Furthermore, Morgan Stanley is subject to certain state consumer protection laws, and under the Dodd-Frank Act, state attorneys general and other state officials are empowered to enforce certain federal consumer protection laws and regulations. These federal and state consumer protection laws apply to a range of Morgan Stanley's activities.

Non-U.S. Regulation

All of Morgan Stanley's businesses are regulated extensively by non-U.S. regulators, including governments, central banks and regulatory bodies, securities exchanges, commodity exchanges, self-regulatory organizations, especially in those jurisdictions in which Morgan Stanley maintain an office. Certain regulators have prudential, business conduct and other authority over us or Morgan Stanley's subsidiaries, as well as powers to limit or restrict us from engaging in certain businesses or to conduct administrative proceedings that can result in censures, fines, the issuance of cease-and-desist orders, or the suspension or expulsion of a regulated entity or its affiliates. Certain of Morgan Stanley's subsidiaries are subject to capital, liquidity, leverage and other prudential requirements that are applicable under non-U.S. law.

Financial Crimes Programme

Morgan Stanley's financial crime prevention efforts across all regions and business units with responsibility for governance, oversight and execution of Morgan Stanley's anti-money laundering ("**AML**"), economic sanctions ("**Sanctions**"), anti-corruption, anti-tax evasion, and government and political activities compliance programmes.

In the U.S., the Bank Secrecy Act, as amended by the USA PATRIOT Act of 2001 and the Anti-Money Laundering Act of 2020, impose significant obligations on financial institutions to detect and deter money laundering and terrorist financing activity, including requiring banks, BHCs and their subsidiaries, broker-dealers, futures commission merchants, introducing brokers and mutual funds to implement AML programmes, verify the identity of customers that maintain accounts, and monitor and report suspicious activity to appropriate law enforcement or regulatory authorities. Outside the U.S., applicable laws, rules and regulations similarly require designated types of financial institutions to implement AML programmes.

Morgan Stanley are also subject to Sanctions such as regulations and economic sanctions programmes administered by the U.S. Treasury's Office of Foreign Assets Control ("**OFAC**"), and similar sanctions programmes imposed by foreign governments or global or regional multilateral organisations, and anticorruption laws, such as the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act, in the jurisdictions in which it operates. Anti-corruption laws generally prohibit offering, promising, giving or authorizing others to give anything of value, either directly or indirectly, to a government official or private party in order to influence official action or otherwise gain an unfair business advantage, such as to obtain or retain business.

Regulatory Developments and Other Matters

Replacement of London Interbank Offered Rate and Replacement or Reform of Other Interest Rate Benchmarks

Central banks around the world, including the Federal Reserve, have commissioned committees and working groups of market participants and official sector representatives to replace LIBOR and replace or reform other interest rate benchmarks (collectively, the "IBORs"). A transition away from use of the IBORs to alternative rates and other potential interest rate benchmark reforms is underway and will continue through the cessation dates.

The publication of most non-U.S. dollar LIBOR rates ceased as of the end of December 2021. The publication of certain non-U.S. dollar LIBOR rates on the basis of a "synthetic" methodology (known as "synthetic LIBOR") will continue at least until the end of 2022 and certain U.S. dollar LIBOR tenors are expected to continue to be published until June 30, 2023. On March 15, 2022 the U.S. enacted federal legislation that is intended to minimize legal and economic uncertainty following U.S. dollar LIBOR's cessation by replacing LIBOR references in certain contracts under certain circumstances with a SOFR-based rate to be established in a Federal Reserve rule that incorporates a spread adjustment specified in the statute. On July 19, 2022, the Federal Reserve issued a proposed rule to implement the federal legislation. While some states have already adopted LIBOR legislation, the federal legislation expressly preempts any provision of any state or local law, statute, rule, regulation or standard. As of September 30, 2022, Morgan Stanley's LIBOR-referenced contracts were primarily concentrated in derivative contracts and to a lesser extent, loans, floating rate notes, preferred shares, securitizations and mortgages. A significant majority of Morgan Stanley's derivative contracts, and a majority of Morgan Stanley's non-derivative contracts contain fallback provisions or otherwise have an expected path that will allow for the transition to an alternative reference rate upon the cessation of the applicable LIBOR rate. While Morgan Stanley have made substantial progress in the transition away from the IBORs, Morgan Stanley nonetheless currently remain party to a significant number of U.S. dollar LIBOR-linked contracts. For the limited number of U.S. dollar LIBOR linked contracts without a current market standard fallback, or for which the federal legislation does not apply, Morgan Stanley are actively developing appropriate transition plans in light of the planned June 30, 2023 cessation date for the remaining U.S. dollar LIBOR tenors. Morgan Stanley's IBOR transition plan is overseen by a global steering committee, with senior management oversight, and Morgan Stanley continue to execute against Morgan Stanley's firm-wide IBOR transition plan to complete the transition to alternative reference rates.

2. OVERVIEW OF ACTIVITIES

Principal Activities

Morgan Stanley is a global financial services firm that maintains significant market positions in each of its business segments—Institutional Securities, Wealth Management and Investment Management. Morgan Stanley, through its subsidiaries and affiliates, provides a wide variety of products and services to a large and diversified group of clients and customers, including corporations, governments, financial institutions and individuals.

A description of the clients and principal products and services of each of Morgan Stanley's business segments is as follows:

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

Wealth Management provides a comprehensive array of financial services and solutions to individual investors and small to medium-sized businesses and institutions covering: financial advisor-led brokerage and investment advisory services; self-directed brokerage services; financial and wealth planning services; workplace services including stock plan administration; annuity and insurance products; securities-based lending, residential real estate loans and other lending products; banking; and retirement plan services.

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

3. ORGANISATIONAL STRUCTURE

Principal Markets

Morgan Stanley is a global financial services firm that, through its subsidiaries and affiliates, advises, and originates, trades, manages and distributes capital for, governments, institutions and individuals. Morgan Stanley conducts its business from its headquarters in and around New York City, its regional offices and branches throughout the U.S. and its principal offices in London, Tokyo, Hong Kong and other world financial centres. As of 30 September 2022, Morgan Stanley had 82,000 employees worldwide.

Morgan Stanley's significant regulated U.S. and international subsidiaries include MS & Co., MSSB LLC, MSI plc, Morgan Stanley MUFG Securities Co., Ltd. ("**MSMS**"), MSBNA and MSPBNA.

Structure of the Group

For information relating to the structure of the Morgan Stanley Group and for the list of certain subsidiaries as at 31 December 2021 see the section entitled "*Subsidiaries of Morgan Stanley as of 31 December 2021*" below.

4. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

Board of Directors

The directors of Morgan Stanley as of the date of this Registration Document, their offices, if any, within Morgan Stanley, and their principal outside activity, if any, are listed below. The business address of each director is 1585 Broadway, New York, NY 10036, U.S.

<u>Name</u>	<u>Function within Morgan Stanley</u>	<u>Principal Outside Activity</u>
James P. Gorman	Chairman of the Board and Chief Executive Officer	Member of the board of directors of the Council on Foreign Relations, member of the Financial Services Forum, Chair of the Board of Overseers of the Columbia Business School and member of the Business Council and the Business Roundtable.
Alistair Darling	Director	Non-executive Chair and trustee of the abrdn Financial Fairness Trust and honorary President of the Royal Institute of International Affairs (Chatham House).
Thomas H. Glocer	Director	Founder and managing partner of Angelic Ventures, L.P., member of the board of directors of Merck & Co., Inc., K2 Intelligence, the Council on Foreign Relations and the supervisory board of Publicis Groupe, trustee of the Cleveland Clinic and member of the advisory boards of the President's Council on International Activities at Yale University, the Columbia University Global Centre (Europe), the Social Sciences Research Council and GP Investments.
Robert H. Herz	Director	President of Robert H. Herz LLC, member of the board of directors of the Federal National Mortgage Association (Fannie Mae), Workiva Inc., Paxos National Trust Company, and the Value Reporting Foundation, member of the advisory boards of AccountAbility and Lukka, Inc., executive-in-residence at the Columbia University Business School and trustee emeritus of the Kessler Foundation.
Erika H. James	Director	Dean of the Wharton School at the University of Pennsylvania. Member of the board of directors of Momentive Global Inc., the Graduate Management Admissions Council, Save the Children, and the Philadelphia Orchestra, and advisory board member to the Indian School of Business.
Hironori Kamezawa	Director	President and Group CEO of Mitsubishi UFJ Financial Group, Inc., Director of MUFG, Chair of Global Open Network

<u>Name</u>	<u>Function within Morgan Stanley</u>	<u>Principal Outside Activity</u>
		Japan, Inc., a joint venture between MUFG and Akamai Technologies, Inc.
Shelley B. Leibowitz	Director	President of SL Advisory, director of BitSight, Elastic N.V. and the New York Board of the National Association of Corporate Directors, member of the Council on Foreign Relations and the Visiting Committee of the Centre for Development Economics at Williams College.
Stephen J. Luczo	Director	Managing Partner at Crosspoint Capital Partners, L.P., member of the board of directors of AT&T Inc, member of the Advisory Board for All-Stars Helping Kids, senior advisor to non-profit educational organisation the Silicon Valley Japan Platform and is active in charitable and for-profit ventures through a wholly owned entity, Balance Vector, Inc.
Jami Miscik	Director	CEO of Global Strategic Insights, director of General Motors Company and Co-Vice Chair on the Council on Foreign Relations, In-Q-Tel and the Chairman of American Ditchley Foundation.
Masato Miyachi	Director	Chief Executive of Global Corporate and Investment Banking, Director of MUFG since April 2018 and Deputy President since April 2019.
Dennis M. Nally	Director	Member of the board of directors of AmerisourceBergen Corporation, member of the American Institute of Certified Public Accountants, the New York State Society of CPAs and the Carnegie Hall Society Board of Trustees, Vice Chairman of the board of directors for The HOW Institute for Society and Vice-Chair and board member of the U.S. Council for International Business.
Mary L. Schapiro	Director	Vice Chair for Global Public Policy and Special Advisor to the Founder and Chairman of Bloomberg LP, member of the board of directors of CVS Health Corporation, Vice-Chair of the Value Reporting Foundation Board and member of the Morgan Stanley Institute for Sustainable Investing Advisory Board.
Perry M. Traquina	Director	Member of the board of directors of The Allstate Corporation and eBay Inc, Chairman of the Emeritus Trustee of Brandeis University and trustee of the

<u>Name</u>	<u>Function within Morgan Stanley</u>	<u>Principal Outside Activity</u>
Rayford Wilkins, Jr.	Director	Windsor School and the Steppingstone Foundation. Member of the board of directors of Caterpillar Inc. and Valero Energy Corporation, member of the Morgan Stanley Institute for Inclusion Advisory Board and member of the Advisory Council of the McCombs School of Business at the University of Texas at Austin.

There are no potential conflicts of interests between any duties to Morgan Stanley of its directors and their private interests and/or other duties.

Certain Transactions

Morgan Stanley's subsidiaries may extend credit in the ordinary course of business to certain of Morgan Stanley's directors, officers and members of their immediate families. These extensions of credit may be in connection with margin loans, mortgage loans or other extensions of credit by Morgan Stanley's subsidiaries. These extensions of credit are made in the ordinary course of business, on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable loans with persons not related to the lender and do not involve more than the normal risk of collectability or present other unfavorable features.

Each of MUFG, State Street Corporation ("**State Street**"), BlackRock, Inc. ("**BlackRock**") and The Vanguard Group ("**Vanguard**") beneficially owns more than 5 per cent. of the outstanding shares of Morgan Stanley common stock as reported under "Principal Shareholders". During 2021, Morgan Stanley engaged in transactions in the ordinary course of business with each of MUFG, State Street, BlackRock and Vanguard, and certain of their respective affiliates, including investment banking, financial advisory, sales and trading, derivatives, investment management, lending, securitisation and other financial services transactions. Such transactions were on substantially the same terms as those prevailing at the time for comparable transactions with unrelated third parties.

Children of Jeffrey Brodsky, a former executive officer, are non-executive employees of the Company and received compensation in 2021 of approximately \$350,000 and \$151,000, respectively. A sister-in-law of Andrew Saperstein, an executive officer, is a non-executive employee of the Company and received compensation in 2021 of approximately \$203,000. The compensation and benefits for these employees was determined in accordance with the Company's standard compensation practices applicable to similarly situated employees.

In addition to the transactions described above, as part of the global strategic alliance between MUFG and the Company, the Company and MUFG have a joint venture in Japan comprised of their respective investment banking and securities businesses, which is conducted through Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. ("**MUMSS**") and Morgan Stanley MUFG Securities Co., Ltd. ("**MSMS**") (MSMS, together with MUMSS, the "**Joint Venture**"). The Company owns a 40 per cent. economic interest in the Joint Venture and MUFG owns a 60 per cent. economic interest in the Joint Venture. The Company holds a 40 per cent. voting interest and MUFG holds a 60 per cent. voting interest in MUMSS, while the Company holds a 51 per cent. voting interest and MUFG holds a 49 per cent. voting interest in MSMS. Other initiatives that are part of the Company's global strategic alliance with MUFG include a loan marketing joint venture in the Americas, business referral arrangements in Asia, Europe, the Middle East and Africa, referral agreements for commodities transactions and for Shareworks products in Japan and a secondment arrangement of personnel between MUFG and the Company for the purpose of sharing best practices and expertise. On April 18, 2018, the Company entered into a sales plan ("**the Plan**") with MUFG and MS & Co whereby MUFG agreed to sell shares of the Company's common stock to the Company, through its agent, MS & Co., as part of the Company's share repurchase program. The Plan, which has been suspended as of December 10, 2020, has no impact on the strategic alliance between MUFG and the Company and is intended only to maintain MUFG's ownership percentage of the common stock below 24.9 per cent. in order to comply with MUFG's passivity commitments to the Board of Governors of the Federal Reserve System.

5. BOARD PRACTICES

Morgan Stanley considers itself to be in compliance with all U.S. laws relating to corporate governance that are applicable to it.

The Board meets regularly and directors receive information between meetings about the activities of committees and developments in Morgan Stanley's business. All directors have full and timely access to all relevant information and may take independent professional advice if necessary.

The Board's standing committees include the following:

Committee	Current Members	Primary Responsibilities
Audit	Robert H. Herz (Chair), Alistair Darling, Shelley B. Leibowitz, Dennis M. Nally	<ul style="list-style-type: none"> Oversees the integrity of Morgan Stanley's consolidated financial statements and system of internal controls. Oversees risk management and risk assessment guidelines in coordination with the Board, Operations and Technology Committee and Risk Committee. Reviews the major legal and compliance risk exposures of Morgan Stanley and the steps management has taken to monitor and control such exposures. Selects, determines the compensation of, evaluates and, when appropriate, replaces the independent auditor. Reviews and assesses the qualifications, independence and performance of the independent auditor, and pre-approves audit and permitted non-audit services. Oversees the performance of the head of Morgan Stanley's Internal Audit Department (Chief Audit Officer), who reports functionally to the Audit Committee, and the internal audit function. After review, recommends to the Board the acceptance and inclusion of the annual audited consolidated financial statements in Morgan Stanley's Annual Report on Form 10-K.
Compensation, Management Development and Succession	Dennis M. Nally (Chair), Thomas H. Glocer, Stephen J. Luczo, Rayford Wilkins, Jr.	<ul style="list-style-type: none"> Annually reviews and approves the corporate goals and objectives relevant to the compensation of the CEO and evaluates his performance in light of these goals and objectives.

Committee	Current Members	Primary Responsibilities
Governance and Sustainability	Rayford Wilkins, Jr. (Chair), Thomas H. Glocer, Robert H. Herz, Erika H. James, Mary L. Schapiro	<ul style="list-style-type: none"> • Determines the compensation of executive officers and other officers and employees as appropriate. • Administers Morgan Stanley's equity-based compensation plans and cash-based nonqualified deferred compensation plans. • Oversees plans for management development and succession, and assists the Board in its oversight of Morgan Stanley strategies, policies and practices related to human capital management generally, including diversity and inclusion. • Reviews and discusses the Compensation Discussion and Analysis with management and recommends to the Board its inclusion in the proxy statement. • Oversees Morgan Stanley's incentive compensation arrangements, including with appropriate input from the Chief Risk Officer, to help ensure that such arrangements are consistent with the safety and soundness of Morgan Stanley and do not encourage excessive risk-taking, and are otherwise consistent with applicable related regulatory rules and guidance. • Reviews and approves Morgan Stanley's equity retention and ownership policies for executive officers and other officers and employees, as appropriate. • Reviews shareholder proposals relating to human capital matters and management's proposed response to such proposals. • Oversees succession planning for the Board and Board leadership appointments. • Reviews the overall size and composition of the Board and its committees.

Committee	Current Members	Primary Responsibilities
Operations and Technology	Jami Miscik (Chair), Shelley B. Leibowitz, Stephen J. Luczo, Masato Miyachi, Perry M. Traquina	<ul style="list-style-type: none"> • Identifies and recommends candidates for election to the Board. • Oversees the orientation programme for newly elected directors. • Reviews annually Morgan Stanley's Corporate Governance Policies. • Oversees and approves the process and guidelines for the annual evaluation of performance and effectiveness of the Independent Lead Director, the Board and its committees. • Reviews and approves related person transactions in accordance with Morgan Stanley's Related Person Transactions Policy. • Reviews and approves directors' service on other public or private company boards and committees and changes in director circumstances. • Reviews the director compensation programme. • Reviews Morgan Stanley's Corporate Political Activities Policy Statement and oversees political activities, Morgan Stanley's significant lobbying priorities and expenditures attributable to lobbying in the U.S., and expenditures related to principal U.S. trade associations. • Reviews shareholder proposals relating to governance, social responsibility and environmental matters and management's proposed response to such proposals. • Oversees ESG matters, as appropriate, and Morgan Stanley's philanthropic programmes . • Oversees Morgan Stanley's operations and technology strategy, including trends that may affect such strategy.

Committee	Current Members	Primary Responsibilities
Risk	Perry M. Traquina (Chair), Alistair Darling, Hironori Kamezawa, Jami Miscik	<ul style="list-style-type: none"> <li data-bbox="885 237 1356 577">• Reviews at least quarterly the major operations, technology and operational risk exposures of Morgan Stanley and its business units, including operational security, fraud, vendor, data protection and privacy, business continuity and resilience, and cybersecurity risks, and the steps management has taken to monitor and control such exposures. <li data-bbox="885 607 1356 723">• Reviews the operations and technology budget and significant operations and technology expenditures and investments. <li data-bbox="885 752 1356 869">• Oversees risk management and risk assessment guidelines and policies regarding operations, technology and operational risk. <li data-bbox="885 898 1356 1115">• Oversees Morgan Stanley's process and significant policies for determining operational risk tolerance and, as appropriate, confirms operational risk tolerance levels as set forth in Morgan Stanley's Risk Appetite Statement. <li data-bbox="885 1144 1356 1238">• Oversees Morgan Stanley's global enterprise risk management framework. <li data-bbox="885 1267 1356 1361">• Oversees Morgan Stanley's capital, liquidity and funding planning and strategy. <li data-bbox="885 1391 1356 1693">• Oversees the major risk exposures of Morgan Stanley, including market, credit, model and liquidity risk, against established risk measurement methodologies and the steps management has taken to monitor and control such exposures and reviews significant new product risk, emerging risks, climate risk and regulatory matters. <li data-bbox="885 1722 1356 1783">• Oversees the risk identification framework. <li data-bbox="885 1812 1356 1995">• Oversees Morgan Stanley's Risk Appetite Statement, including risk tolerance levels and limits, and the ongoing alignment of the Risk Appetite Statement with Morgan Stanley's strategy and capital plans.

Committee	Current Members	Primary Responsibilities
		<ul style="list-style-type: none"> • Reviews the contingency funding plan, effectiveness of Morgan Stanley's Basel III advanced systems, capital planning process and Morgan Stanley's Title I Resolution Plan and Recovery Plan, as necessary. • Oversees risk management and risk assessment policies and guidelines. • Oversees the performance of the Chief Risk Officer (who reports to the Risk Committee and the CEO) and the risk management function.

6. PRINCIPAL SHAREHOLDERS

The following table contains information regarding the only persons Morgan Stanley knows of that beneficially own more than 5 per cent. of its common stock.

Name and Address	Shares of Common Stock Beneficially Owned	
	Number	Per cent. ⁽¹⁾
MUFG ⁽²⁾ 7-1, Marunouchi 2-chome Chiyoda-ku, Tokyo 100-8330, Japan	378,708,971	22.06%
State Street ⁽³⁾ One Lincoln Street Boston, MA 02111	130,705,102	7.4%
Vanguard ⁽⁴⁾ 100 Vanguard Boulevard Malvern, PA 19355	117,937,806	6.7%
BlackRock ⁽⁵⁾ 55 East 52 nd Street New York, NY 10055	106,860,261	6.7%

⁽¹⁾ Percentages based upon the number of shares of common stock outstanding as of the record date, 28 March 2022, and the beneficial ownership of the principal shareholders as reported in SEC filings in notes 2 through 5 below.

⁽²⁾ Based on the Schedule 13D/A filed August 8, 2022 by MUFG (as of August 8, 2022). The Schedule 13D/A discloses that MUFG beneficially owned 378,708,971 shares and had sole voting power and sole dispositive power with respect to such shares. The Schedule 13D/A also disclosed that of the 378,708,971 shares, 1,623,804 shares were held solely in a fiduciary capacity by certain affiliates of MUFG as the trustee of trust accounts or the manager of investment funds, other investment vehicles and managed accounts as of August 3, 2022, and that MUFG disclaims beneficial ownership of such shares.

⁽³⁾ Based on the Schedule 13G filed February 11, 2022 by State Street and State Street Global Advisors Trust Company, each acting in various fiduciary and other capacities (as of December 31, 2021). The Schedule 13G discloses that State Street had shared dispositive power as to 130,515,256 shares and shared voting power as to 122,903,273 shares and that State Street Global Advisors Trust Company beneficially owned 101,059,413 shares and had shared dispositive power as to 101,051,832 shares and shared voting power as to 96,801,799 shares.

⁽⁴⁾ Based on the Schedule 13G dated February 9, 2022 filed by Vanguard (as of December 31, 2021). The Schedule 13G discloses that Vanguard had sole voting power as to zero shares and sole dispositive power as to 112,164,990 shares and shared voting power as to 2,221,879 shares and shared dispositive power as to 5,772,816 shares.

⁽⁵⁾ Based on the Schedule 13G dated February 1, 2022 filed by BlackRock (as of December 31, 2021). The Schedule 13G discloses that BlackRock had sole voting power as to 94,296,604 shares and sole dispositive power as to 106,860,261 shares.

7. LEGAL PROCEEDINGS AND CONTINGENCIES

Save as disclosed in:

- (a) the paragraphs under the heading "*Contingencies*" under the heading "*Commitments, Guarantees and Contingencies*" in "*Notes to Consolidated Financial Statements (Unaudited)*" on pages 59-60 and under the heading "*Legal Proceedings*" on page 72 of Morgan Stanley's Quarterly Report on Form 10-Q for the quarterly period ended 30 September 2022;

- (b) the paragraphs under the heading "*Contingencies*" under the heading "*Commitments, Guarantees and Contingencies*" in "*Notes to Consolidated Financial Statements (Unaudited)*" on page 59 and under the heading "*Legal Proceedings*" on page 71 of Morgan Stanley's Quarterly Report on Form 10-Q for the quarterly period ended 30 June 2022;
- (c) the paragraphs under the heading "*Contingencies*" under the heading "*Commitments, Guarantees and Contingencies*" in "*Notes to Consolidated Financial Statements (Unaudited)*" on pages 54-55 and under the heading "*Legal Proceedings*" on page 66 of Morgan Stanley's Quarterly Report on Form 10-Q for the quarterly period ended 31 March 2022; and
- (d) the paragraphs under the heading "*Contingencies*" under the heading "*Commitments, Guarantees and Contingencies*" in "*Notes to Consolidated Financial Statements*" at pages 117-119; and the section entitled "*Legal Proceedings*" at pages 145-148 of Morgan Stanley's Annual Report on Form 10-K for the year ended 31 December 2021,

there are no, nor have there been, any governmental, legal or arbitration proceedings involving Morgan Stanley (including any such proceedings which are pending or threatened of which Morgan Stanley is aware) during the 12-month period before the date of this Registration Document which may have, or have had in the recent past, a significant effect on the financial position or profitability of Morgan Stanley or the Morgan Stanley Group.

8. **ADDITIONAL INFORMATION**

Auditors

The consolidated financial statements of Morgan Stanley and subsidiaries as of 31 December 2020 and 31 December 2021 and each of the three years in the period ended 31 December 2021, and the effectiveness of internal control over financial reporting as of 31 December 2021, which are incorporated in this Registration Document, have been audited by Deloitte & Touche LLP, an independent registered public accounting firm registered with the Public Company Accounting Oversight Board (United States of America), as stated in their reports dated 24 February 2022.

Trend Information

The business of Morgan Stanley in the past has been, and in the future may continue to be, materially affected by many factors, including: the effect of market conditions, particularly in the global equity, fixed income, currency, credit and commodities markets, including corporate and mortgage (commercial and residential) lending and real estate and energy markets; the level of individual investor participation in the global markets as well as the level of client assets; the flow of investment capital into or from assets under management or supervision; 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; the availability and cost of both credit and capital as well as the credit ratings assigned to Morgan Stanley's unsecured short-term and long-term debt; technological changes instituted by Morgan Stanley, Morgan Stanley's competitors or counterparties and technological risks, business continuity and related operational risks, including breaches or other disruptions of Morgan Stanley's or a third party's (or third parties thereof) operations or systems; risk associated with cybersecurity threats, including data protection and cybersecurity risk management; Morgan Stanley's ability to effectively manage its capital and liquidity, including under stress tests designed by Morgan Stanley's banking regulators; 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 Morgan Stanley's ability to address such requirements; uncertainty concerning fiscal or monetary policies established by central banks and financial regulators, government shutdowns, debt ceilings or funding; changes to global trade policies, tariffs, interest rates, replacements of LIBOR and replacement or reform of other interest rate benchmarks; legal and regulatory actions, including litigation and enforcement, in the U.S. and worldwide; changes in tax laws and regulations globally; the effectiveness of Morgan Stanley's risk management processes and related controls, including climate risk; Morgan Stanley's ability to effectively respond to an economic downturn, or other market disruptions; the effect of social, economic and political conditions and geopolitical events, including as a result of changes in U.S. presidential administrations or Congress, and sovereign risk; the actions and initiatives of current and potential competitors as well as governments, central banks, regulators and self-regulatory organisations; Morgan Stanley's ability to provide innovative products and services and execute Morgan Stanley's strategic initiatives, and costs related thereto, including

with respect to the operational or technological integration related to such innovative and strategic initiatives; the performance and results of Morgan Stanley's acquisitions, divestitures, joint ventures, partnerships, strategic alliances, or other strategic arrangements and related integrations; investor, consumer and business sentiment and confidence in the financial markets; Morgan Stanley's reputation and the general perception of the financial services industry; Morgan Stanley's ability to retain and attract qualified employees; the effects of the coronavirus disease ("COVID-19") pandemic, including the rate of distribution and administration of vaccines globally, the severity and duration of any resurgence of COVID-19 variants, future actions taken by governmental authorities, and the effects on Morgan Stanley's employees, customers and counterparties; and climate-related incidents, other pandemics and acts of war, aggression or terrorism.

There has been no material change in the prospects of Morgan Stanley since 31 December 2021.

Significant Change

There has been no significant change in the financial performance or position of Morgan Stanley since 30 September 2022 (the date of the latest interim report and accounts of Morgan Stanley).

Share Capital

The authorised share capital of Morgan Stanley at 30 June 2022 comprised 3,500,000,000 ordinary shares of nominal value U.S. \$0.01 and 7,750,000,000 preferred stock of nominal value \$0.01.

The issued, non-assessable and fully paid-up share capital of Morgan Stanley at 31 December 2021 comprised 2,038,893,979 ordinary shares of nominal value U.S. \$0.01.

Certificate of Incorporation

Morgan Stanley's objects and purposes are set out in Article III of its Certificate of Incorporation and enable Morgan Stanley to engage in any lawful act or activity for which corporations may be organised and incorporated under the General Corporation Law of the State of Delaware.

9. INFORMATION GIVEN BY THIRD PARTIES, EXPERTS' VALUATIONS AND DECLARATION OF INTERESTS

This Registration Document does not contain any information given by third parties, experts' valuation or declaration of interests other than the reports of the auditors. For further details see section "*Additional Information*" above.

10. FINANCIAL INFORMATION

Required Capital

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

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

The Required Capital framework is expected to evolve over time in response to changes in the business and regulatory environment, for example, to incorporate changes in stress testing or enhancements to modelling

techniques. Morgan Stanley will continue to evaluate the framework with respect to the impact of future regulatory requirements, as appropriate.

The following table presents the Average Common Equity Attribution for 2021, 2020 and 2019⁽¹⁾:

	2021	2020	2019
	Average Common Equity Attribution	Average Common Equity Attribution	Average Common Equity Attribution
	<i>(dollars in billions)</i>		
Institutional Securities.....	\$43.5	\$42.8	\$40.4
Wealth Management	28.6	20.8	18.2
Investment Management	8.8	2.6	2.5
Parent	16.2	14.0	11.6
Total	\$97.1	\$80.2	\$72.7

(1) Average common equity is a non-GAAP financial measure.

Overview of 2021 Financial Results

Consolidated Results. Morgan Stanley reported net revenues of \$59.8 billion in 2021 compared with \$48.8 billion in 2020. For 2021, net income applicable to Morgan Stanley was \$15.0 billion or \$8.03 per diluted common share, compared with \$11.0 billion, or \$6.46 per diluted common share, in 2020.

Non-interest Expenses. Compensation and benefits expenses of \$24,628 million in 2021 increased 18 per cent. from \$20,854 million in 2020. The 2021 results reflect increases in the formulaic payout to Wealth Management representatives driven by higher compensable revenues, incremental compensation as a result of the E*TRADE and Eaton Vance acquisitions, higher discretionary incentive compensation driven by revenues, and higher salaries on increased headcount, partially offset by lower expenses related to certain deferred compensation plans linked to investment performance.

Non-compensation expenses of \$15,455 million in 2021 increased 21% from the prior year, primarily driven by incremental expenses as a result of the E*TRADE and Eaton Vance acquisitions, increased investments in technology, higher volume-related expenses, and higher professional services expenses, partially offset by lower litigation expenses.

Business Segment Results. Institutional Securities net revenues of \$29,833 million in 2021 increased 13 per cent. from \$ 26,476 million in 2020. The 2021 results reflect higher revenues from sales and trading and underwriting, partially offset by losses on loans and lending commitments held for sale and an increase in the provision for credit losses on loans held for investment.

Wealth Management net revenues of \$24,243 million in 2021 increased 27 per cent. from \$19,086 million in 2020, primarily due to higher Asset management revenues and incremental revenues as a result of the E*TRADE acquisition.

Investment Management net revenues of \$6,220 million in 2021 increased 67 per cent. from \$3,734 million in 2020, primarily due to higher Asset management and related fees, including incremental revenues related to the Eaton Vance acquisition.

2021 Compared with 2020

Morgan Stanley reported net revenues of \$59,755 million in 2021 compared with \$48,757 million in 2020. For 2021, net income applicable to Morgan Stanley was \$15,034 million or \$8.03 per diluted common share, compared with \$10,996 million, or \$6.46 per diluted common share, in 2020.

Non-interest Expenses. Compensation and benefits expenses of \$24,628 million in 2021 increased 18 per cent. from \$20,854 million in 2020. The 2021 results reflect increases in the formulaic payout to Wealth Management representatives driven by higher compensable revenues, incremental compensation as a result of the E*TRADE and Eaton Vance acquisitions, higher discretionary incentive compensation driven by revenues, and higher salaries on increased headcount, partially offset by lower expenses related to certain deferred compensation plans linked to investment performance. These increases were partially offset by lower compensation associated with carried interest.

Non-compensation expenses of \$15,455 million in 2021 increased 21 per cent. from \$12,724 million in 2020. The 2021 results reflect higher incremental expenses as a result of the E*TRADE and Eaton Vance acquisitions, increased investments in technology, higher volume-related expenses, and higher professional services expenses, partially offset by lower litigation expenses.

Business Segment Results. Institutional Securities net revenues of \$29,833 million in 2021 increased 13 per cent. from \$26,476 million in 2020. The 2021 results reflect higher Investment banking and Equity business revenues, partially offset by lower Fixed income business revenues.

Wealth Management net revenues of \$24,243 million in 2021 increased 27 per cent. from \$19,086 million in 2020, primarily due to higher Asset Management revenues and incremental revenues as a result of the E*TRADE acquisition.

Investment management net revenues of \$6,220 million in 2021 increased 67 per cent. from \$3,734 million in 2020, primarily due to higher Asset management and related fees, including incremental revenues related to the Eaton Vance acquisition .

DESCRIPTION OF MORGAN STANLEY & CO. INTERNATIONAL PLC

1. INFORMATION ABOUT MORGAN STANLEY & CO. INTERNATIONAL PLC

History and Development of Morgan Stanley & Co. International plc

Legal name, place of registration and registration number, date of incorporation

MSI plc was incorporated in England and Wales with registered number 2068222 on 28 October 1986. MSI plc was incorporated as a company limited by shares under the Companies Act 1985 and operates under the Companies Act 2006. MSI plc was re-registered as a public limited company on 13 April 2007.

Registered office

MSI plc's registered office is at 25 Cabot Square, Canary Wharf, London E14 4QA and the telephone number of its registered office is +44 20 7425 8000.

Webpage

MSI plc's webpage is www.morganstanley.com/about-us-ir. The information contained on Morgan Stanley's website shall not form part of this Registration Document, unless such information has been expressly incorporated herein.

Legal and commercial name

MSI plc's legal and commercial name is Morgan Stanley & Co. International plc.

Legal Entity Identifier (LEI)

MSI plc's LEI is 4PQUHN3JPFQFNF3BB653.

Credit Ratings

MSI plc has been assigned the following credit ratings:

	Short-Term Debt	Long-Term Debt	Ratings Outlook
Moody's	P-1	Aa3	Stable
S&P	A-1	A+	Stable

The meaning of the above credit ratings is as follows:

	Short-Term Debt	Long-Term Debt
Moody's	Issuers (or supporting institutions) rated Prime-1 have a superior ability to repay short-term debt obligations.	Obligations rated A are considered upper-medium-grade and are subject to low credit risk. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.
S&P	A short-term obligation rated 'A-1' is rated in the highest category by S&P Global Ratings. The obligor's capacity to meet its financial commitments on the obligation is strong. This indicates that the obligor's capacity to meet its financial commitments on these obligations is extremely strong.	An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitments on the obligation is still strong. Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories.

A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Recent Events

No recent event particular to MSI plc has occurred which is to a material extent relevant to the evaluation of its solvency.

2. OVERVIEW OF THE ACTIVITIES

MSI plc is the parent entity of a group of companies including MSI plc and all of its subsidiary and associated undertakings ("**MSI plc Group**"). The principal activity of the MSI plc Group is the provision of financial services to corporations, governments and financial institutions.

MSI plc operates globally with a particular focus in Europe. MSI plc operates branches in the Dubai International Financial Centre, France, the Qatar Financial Centre, South Korea and Switzerland.

The MSI plc Group is a key contributor to the execution of the Morgan Stanley Group's global Institutional Securities segment strategy. The MSI plc Group provides investment banking, sales and trading and other services to its clients. Investment banking services consist of capital raising including underwriting of debt, equity and other securities; financial advisory services, including advice on mergers and acquisitions, restructurings and project finance; sales and trading services including sales, financing, prime brokerage, market-making activities in equity and fixed income and includes providing secured lending to sales and trading customers. Other services include asset management.

3. ORGANISATIONAL STRUCTURE

MSI plc's ultimate U.K. parent undertaking is Morgan Stanley International Limited ("**MSI**") and MSI plc's ultimate parent undertaking and controlling entity is Morgan Stanley, which, together with MSI plc and Morgan Stanley's other consolidated subsidiaries, form the Morgan Stanley Group.

MSI plc is owned directly by Morgan Stanley Investments (UK) (100 per cent. holding).

There are substantial inter-relationships between MSI plc and Morgan Stanley as well as other companies in the Morgan Stanley Group, including the provision of funding, capital, services and logistical support to or by MSI plc, as well as common or shared business or operational platforms or systems, including employees. As a consequence of such inter-relationships, and of the participation of both MSI plc and other Morgan Stanley Group companies in the global financial services sector, factors which could affect the business and condition of Morgan Stanley or other companies in the Morgan Stanley Group may also affect the business and condition of MSI plc. Any such effect could be direct, for example, where economic or market factors directly affect the markets in which MSI plc and other companies in the Morgan Stanley Group operate, or indirect, for example where any factor affects the ability of other companies in the Morgan Stanley Group to provide services or funding or capital to MSI plc or, directly or indirectly, to place business with MSI plc. Similarly, any development affecting the reputation or standing of Morgan Stanley or other companies in the Morgan Stanley Group may have an indirect effect on MSI plc. Such inter-relationships should therefore be taken into account in any assessment of MSI plc.

Please see "*Description of Morgan Stanley*" for information on the Morgan Stanley Group.

4. MANAGEMENT OF MORGAN STANLEY & CO. INTERNATIONAL PLC

Directors of MSI plc

<u>Name</u>	<u>Principal outside activity</u>
Jonathan William Bloomer	Independent Chair of MSI plc, Morgan Stanley International Limited and Morgan Stanley Bank International Limited. Chair of SDL Property Services Holdings Ltd., Wise Living Developments Ltd. and DWF Group PLC.
Megan Veronica Butler	Independent Director of MSI Plc, Morgan Stanley International Limited and Morgan Stanley Bank International Limited.

Name	Principal outside activity
David Oliver Cannon	Independent Director of MSI plc, Morgan Stanley International Limited and Morgan Stanley Bank International Limited. Member of the Supervisory Board of Morgan Stanley Europe Holding SE, Morgan Stanley Europe SE., and Morgan Stanley Bank AG.
Terri Lynn Duhon	Independent Director of MSI plc, Morgan Stanley International Limited, Morgan Stanley Bank International Limited and Chair of Morgan Stanley Investment Management Limited, Independent Non-Executive Director of Rathbones Group plc, Rathbones Investment Management Limited and Wise PLC.
Arun Kohli	Director of MSI plc, Morgan Stanley International Limited and Morgan Stanley Bank International Limited. Non-Executive Director of UK Finance.
Kim Maree Lazaroo	Director of MSI plc, Morgan Stanley International Limited, Morgan Stanley Bank International Limited, Morgan Stanley France S.A..
Anthony Philip Mullineaux	Director of MSI plc, Morgan Stanley International Limited, Morgan Stanley Bank International Limited, Morgan Stanley Investments (UK). Member of the Supervisory Board of Morgan Stanley Hungary Analytics Limited.
Salvatore Orlacchio	Director of MSI plc and Morgan Stanley International Limited.
Jane Elizabeth Pearce	Independent Director of MSI plc, Morgan Stanley International Limited and Morgan Stanley Bank International Limited. Non-Executive Director of Shires Income plc and Polar Capital Technology Trust plc.
Melanie Jane Richards	Independent Director of MSI plc, Morgan Stanley International Limited and Morgan Stanley Bank International Limited. Non-Executive Director of HKA Global. Chair and trustee of the Eve Appeal (Gynaecology Cancer Research Fund), Board member of the National Theatre, Member of the Advisory Board of the National Leadership Centre, the Invictus Games Foundation and the Employers Advisory Board for the Global Institute for Women's Leadership, Kings College, London.
David Andrew Russell	Director of MSI plc, Morgan Stanley International Limited and RMB Morgan Stanley (Proprietary) Limited. Chair of Morgan Stanley France SA. and Morgan Stanley France Holdings I S.A.S., Member of the Supervisory Board of Morgan Stanley Europe Holding SE, Morgan Stanley Europe SE., and Morgan Stanley Bank AG.
Noreen Philomena Whyte	Director of MSI plc, Morgan Stanley International Limited, Morgan Stanley Bank International Limited and European Principal Assets Limited.
Clare Eleanor Woodman	Director of MSI plc, Morgan Stanley International Limited and Member and Chair of the Supervisory Board of Morgan Stanley Europe Holding SE, Morgan Stanley Europe SE., and Morgan Stanley Bank AG., Trustee of the Morgan Stanley International Foundation.
Paul David Taylor	Independent Director of MSI plc, Morgan Stanley International Limited and Morgan Stanley Bank International Limited. Director

Name	Principal outside activity
	of Beyond Blue Limited, Chair of the Advisory Board of Imperial College's Institute of Security Science and Technology.
Aryasomayajula Venkata Chandra Sekhar	Director of MSI plc, Morgan Stanley International Limited and Morgan Stanley Bank International Limited.

The business address of the directors is 25 Cabot Square, Canary Wharf, London E14 4QA.

There are no potential conflicts of interests between any duties to MSI plc of its directors and their private interests and/or other duties.

5. BOARD PRACTICES

MSI established an audit committee (the "**MSI Audit Committee**") in September 2003. The current remit of the MSI Audit Committee is to assist the Board of MSI in monitoring: (i) financial reporting, (ii) internal controls, (iii) legal and regulatory compliance, (iv) internal audit; and (v) external auditors.

The MSI Audit Committee reports to the Board of MSI on a quarterly basis. The MSI Audit Committee comprises Paul David Taylor, Jonathan William Bloomer, David Oliver Cannon, Terri Lynn Duhon, Melanie Jane Richards, Megan Veronica Butler and Jane Elizabeth Pearce, who are not officers or employees of the Morgan Stanley Group and are independent members of the MSI Audit Committee. The MSI Audit Committee members are appointed by the Board of Directors of MSI. MSI plc complies with the corporate governance requirements as required by the corporate laws of the United Kingdom.

6. MAJOR SHAREHOLDERS

Major Shareholders

MSI plc's share capital is owned as follows:

Share Class	Shareholder	Shares Held (% of Class)
GBP 1.00 Ordinary Shares	Morgan Stanley Investments (UK)	17,615,107 (100%)
USD 1.00 Ordinary Shares	Morgan Stanley Investments (UK)	10,935,105,148 (100%)
USD 1.00 Class A Non-Voting Ordinary Shares	Morgan Stanley Investments (UK)	1,500,000,000 (100%)

MSI plc's ultimate parent undertaking and controlling entity is Morgan Stanley. For information regarding the beneficial ownership of Morgan Stanley's common stock, please see the section entitled "*Principal Shareholders*" in "*Description of Morgan Stanley*" above.

7. LEGAL PROCEEDINGS AND CONTINGENCIES

Save as disclosed in:

- (a) the section entitled "*Legal Proceedings*" on page 72 and in the paragraphs under the heading "*Contingencies*" under the heading "*Commitments, Guarantees and Contingencies*" in "*Notes to Consolidated Financial Statements (Unaudited)*" on pages 59-60 of Morgan Stanley's Quarterly Report on Form 10-Q for the quarterly period ended 30 September 2022;
- (b) the section entitled "*Legal Proceedings*" on page 71 and in the paragraphs under the heading "*Contingencies*" under the heading "*Commitments, Guarantees and Contingencies*" in "*Notes to Consolidated Financial Statements (Unaudited)*" on page 59 of Morgan Stanley's Quarterly Report on Form 10-Q for the quarterly period ended 30 June 2022;

- (c) the section entitled "*Legal Proceedings*" on page 66 and in the paragraphs under the heading "*Contingencies*" under the heading "*Commitments, Guarantees and Contingencies*" in "*Notes to Consolidated Financial Statements (Unaudited)*" on pages 54-55 of Morgan Stanley's Quarterly Report on Form 10-Q for the quarterly period ended 31 March 2022;
- (d) the paragraphs under the heading "*Contingencies*" under the heading "*Commitments, Guarantees and Contingencies*" in "*Notes to Consolidated Financial Statements*" at pages 117-119; and the section entitled "*Legal Proceedings*" at pages 145-148 of Morgan Stanley's Annual Report on Form 10-K for the year ended 31 December 2021;
- (e) the section entitled "*Litigation Matters*" under the heading "*Provisions*" in "*Notes to Consolidated Financial Statements*" on page 30 of MSI plc's half-yearly financial report for the period ending 30 June 2022; and
- (f) the section entitled "*Litigation Matters*" and the section entitled "*Tax Matters*" under the heading "*Provisions*" in "*Notes to Consolidated Financial Statements*" on pages 86-88 of MSI plc's report and financial statements for the year ended 31 December 2021,

there are no, nor have there been, any governmental, legal or arbitration proceedings involving MSI plc Group (including any such proceedings which are pending or threatened of which MSI plc Group is aware) during the 12-month period before the date of this Registration Document which may have, or have had in the recent past, a significant effect on the financial position or profitability of the MSI plc Group.

8. ADDITIONAL INFORMATION

Auditors

MSI plc's report and accounts for the financial years ended 31 December 2021 and 31 December 2020 have been audited by Deloitte LLP of 1 New Street Square, London EC4A 3HQ who are a firm of registered auditors and a member firm of the Institute of Chartered Accountants in England and Wales for institute by-laws purposes.

Trend Information

There has been no material adverse change in the prospects of MSI plc since 31 December 2021.

Significant Change

There has been no significant change in the financial performance or position of the MSI plc Group since 30 June 2022, the date of the last published interim (unaudited) financial statements of MSI plc.

Capital Structure

As of 31 December, 2021 MSI plc had the following issued and fully paid up share capital:

- (i) £17,615,107 divided into 17,615,107 ordinary shares of £1 par value each (the "**GBP 1.00 Ordinary Shares**"). Each GBP Ordinary Share is entitled to one vote within its class. The GBP Ordinary Shares as a class are entitled to 0.1 per cent. of the votes at shareholder meetings.
- (ii) U.S.\$10,935,105,148 divided into 10,935,105,148 ordinary shares of U.S.\$1 par value each (the "**USD 1.00 Ordinary Shares**"). Each USD Ordinary Share is entitled to one vote within its class. The USD Ordinary Shares as a class are entitled to 99.9 per cent. of the votes at shareholder meetings.
- (iii) U.S. \$1,500,000,000 divided into 1,500,000,000 class A ordinary shares of U.S.\$1 par value each (the "**USD 1.00 Class A Non-Voting Ordinary Shares**"). The holders of the USD Class A Non-Voting Ordinary Shares are not entitled to vote at Shareholders meetings of MSI plc.

Articles of Association

Pursuant to the Companies Act 2006, MSI plc's objects are now unrestricted. The Issuer does not have a specific purpose or objects clause in its articles of association. The articles of association were last amended on 26 February 2019.

DESCRIPTION OF MORGAN STANLEY B.V.

1. INFORMATION ABOUT MORGAN STANLEY B.V.

History and Development

Morgan Stanley B.V. was incorporated as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of The Netherlands on 6 September 2001 for an unlimited duration. MSBV is registered at the commercial register of the Dutch Chamber of Commerce (*Kamer van Koophandel*) under number 34161590. It has its corporate seat in Amsterdam, The Netherlands.

Registered office

MSBV's registered office is at Luna Arena, Herikerbergweg 238, 1101 CM, Amsterdam, The Netherlands. Its telephone number is +31 20 57 55 600.

Webpage

MSBV's webpage is www.morganstanley.com/about-us-ir. The information contained on Morgan Stanley's website shall not form part of this Registration Document, unless such information has been expressly incorporated herein.

Legal and commercial name

MSBV's legal and commercial name is Morgan Stanley B.V.

Legal Entity Identifier (LEI)

MSBV's LEI is KG1FTTDCK4KNVM3OHB52.

Legislation

MSBV is incorporated under, and subject to, the laws of The Netherlands.

Credit Ratings

MSBV has not been assigned a credit rating.

2. OVERVIEW OF ACTIVITIES

Principal Activities

MSBV's principal activity is the issuance of financial instruments including notes, certificates and warrants and the hedging of obligations arising pursuant to such issuances.

Principal Markets

MSBV conducts its business from The Netherlands. All material assets of MSBV are obligations of (or securities issued by) one or more companies in the Morgan Stanley Group. MSBV does not undertake such business on a competitive basis, however as a member of the Morgan Stanley Group it is indirectly affected by some of the competitive pressures that apply to Morgan Stanley. See "*Description of Morgan Stanley*" above for further details.

3. ORGANISATIONAL STRUCTURE

MSBV has no subsidiaries. It is ultimately controlled by Morgan Stanley.

4. MANAGEMENT OF MSBV

The current directors of MSBV, their offices, if any, within MSBV, and their principal outside activity, if any, are listed below. The business address of each director is Luna Arena, Herikerbergweg 238, 1101 CM Amsterdam Zuidoost, The Netherlands.

<u>Name</u>	<u>Title</u>	<u>Principal Outside Activity</u>
H. Herrmann	Director	Executive Director of Morgan Stanley. Director of Fundlogic (Jersey) Limited, Morgan Stanley Finance II Limited and Archimedes Investments Cooperatieve U.A.
S. Ibanez	Director	Executive Director of Morgan Stanley.
P.J.G de Reus	Director	Employee of TMF Netherlands B.V. Director of Archimedes Investments Cooperatieve U.A.
A. Doppenberg	Director	Employee and managing director of TMF Netherlands B.V. and TMF Management B.V.
TMF Management B.V.	Director	Dutch corporate service provider
Directors of TMF Management B.V.		
A. Doppenberg	Director	Employee and managing director of TMF Netherlands B.V.
J.E. Hardeveld	Director	Employee and managing director of TMF Netherlands B.V.
K.A. Groenendijk	Director	Employee and managing director of TMF Netherlands B.V.

There are no potential conflicts of interests between any duties to MSBV of its directors and their private interests and/or other duties.

5. BOARD PRACTICES

MSBV established an audit committee (the "**MSBV Audit Committee**") in April 2015. The current remit of the MSBV Audit Committee is:

- (i) inform the management board of the company of the outcome of the statutory audit and explain how the statutory audit contributed to the integrity of financial reporting and what the role of the audit committee was in that process;
- (ii) monitor the financial reporting process and submit recommendations or proposals to ensure its integrity;
- (iii) monitor the effectiveness of the undertaking's internal quality control and risk management systems and, where applicable, its internal audit, regarding the financial reporting of the company, without breaching its independence;
- (iv) monitor the statutory audit of the Annual Accounts, in particular, its performance;
- (v) review and monitor the independence of the accountant and in particular the provision of additional services to the company; and
- (vi) be responsible for the procedure for the selection of the accountant and recommend the accountant.

The MSBV Audit Committee reports to the Board of MSBV on a semi-annual basis. The MSBV Audit Committee currently comprises Mr Adrian Masterson, Mr Andrew Lloyd-Jones and Mr Leendert Slabbekoorn. Mr Masterson and Mr Slabbekoorn are not officers or employees of the Morgan Stanley

Group and are independent members of the MSBV Audit Committee. The MSBV Audit Committee members are appointed by the General Meeting of Shareholders of MSBV.

MSBV considers itself to be in compliance with all Dutch laws relating to corporate governance that are applicable to it.

MSBV qualifies as an organisation of public interest pursuant to Dutch and EU law, and has established its own audit committee which complies with the applicable corporate governance rules and composition requirements as detailed in the Articles of Association of MSBV.

6. MAJOR SHAREHOLDERS

Archimedes Investments Cooperatieve U.A. (a Morgan Stanley Group company) holds the majority of shares in MSBV. Morgan Stanley International Holdings Inc. and Morgan Stanley Jubilee Investments Ltd. each hold one share in MSBV.

MSBV is ultimately controlled by Morgan Stanley. MSBV is not aware of any control measures with respect to such shareholder control. For information regarding the beneficial ownership of Morgan Stanley's common stock, please see the section entitled "*Principal Shareholders*" in "*Description of Morgan Stanley*" above.

All decisions to issue securities are taken by the Board of MSBV and MSBV earns an arm's length remuneration on the issuance of its securities.

7. LEGAL PROCEEDINGS

There are no governmental, legal or arbitration proceedings involving MSBV (including any such proceedings which are pending or threatened of which MSBV is aware) during the 12-month period before the date of this Registration Document which may have, or have had in the recent past, a significant effect on the financial position or profitability of MSBV.

8. ADDITIONAL INFORMATION

Auditors

Deloitte Accountants B.V., independent auditors and certified public accountants of Gustav Mahlerlaan 2970, 1081 LA Amsterdam, The Netherlands, a member of the Netherlands Institute of Chartered Accountants (*Nederlandse Beroepsorganisatie van Accountants*), have audited the financial statements of MSBV for the years ended 31 December 2021 and 31 December 2020 and unqualified opinions have been reported thereon.

This document does not contain any other information that has been audited by Deloitte Accountants B.V.

Trend Information

MSBV intends to continue issuing securities and entering into hedges in respect of such issues of securities. There has been no material adverse change in the prospects of MSBV since 30 December 2021.

Significant Change

There has been no significant change in the financial performance or position of MSBV since 30 June 2022, the date of the last published interim (unaudited) financial statements of MSBV.

Share Capital

The share capital of MSBV is divided into ordinary shares of nominal value EUR 100.

The issued, allotted and fully paid up share capital of MSBV comprises 150,180 ordinary shares of nominal value EUR 100.

Articles of Association

MSBV's objects and purposes are set out in Article 3 of its Articles of Association and enable it to issue, sell, purchase, transfer and accept warrants, derivatives, certificates, debt securities, equity securities and/or similar securities or instruments and to enter into hedging arrangements in connection with such securities and instruments. Furthermore its objects are to finance businesses and companies, to borrow, to lend and to raise funds as well as to enter into agreements in connection with the aforementioned, to render guarantees, to bind the company and to pledge its assets for obligations of the companies and enterprises with which it forms a group and on behalf of third parties and to trade in currencies, securities and items of property in general, as well as everything pertaining to the foregoing, relating thereto or conductive thereto all in the widest sense of the word.

The articles of association were last amended on 11 April 2018.

DESCRIPTION OF MORGAN STANLEY FINANCE LLC

1. INFORMATION ABOUT MORGAN STANLEY FINANCE LLC

History and Development

Morgan Stanley Finance LLC was originally formed as a limited liability company pursuant to the Delaware Limited Liability Company Act on 27 March 2002 for an unlimited duration under the name of Morgan Stanley Tower LLC with registration number 3507392. On 8 January 2016 Morgan Stanley Tower LLC changed its name to Morgan Stanley Finance, LLC. On 12 January 2016 Morgan Stanley Finance, LLC changed its name to Morgan Stanley Finance LLC.

Registered office

MSFL's registered address is at The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801. MSFL's principal place of business is 1585 Broadway, New York, NY 10036. Its phone number is 212-761-4000.

Webpage

MSFL's webpage is www.morganstanley.com/about-us-ir. The information contained on Morgan Stanley's website shall not form part of this Registration Document, unless such information has been expressly incorporated herein.

Legal and commercial name

MSFL's legal and commercial name is Morgan Stanley Finance LLC.

Legal Entity Identifier (LEI)

MSFL's LEI is 5493003FCPSE9RKT4B56.

Legislation

MSFL was formed under, and subject to, the laws of the state of Delaware, United States.

Credit Ratings

MSFL has been assigned the following credit ratings:

	Long-Term Debt	Ratings Outlook
Moody's	A1	Stable
S&P	A-	Stable

	Long-Term Debt
Moody's	Obligations rated A are considered upper-medium-grade and are subject to low credit risk. Moody's appends numerical modifiers 1, 2 and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.
S&P	An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong. Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories.

A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

2. OVERVIEW OF ACTIVITIES

Principal Activities

MSFL's principal activity is the issuance of structured notes, the cash proceeds being lent to Morgan Stanley and the hedging of the obligations arising pursuant to such issuances.

Principal Markets

MSFL primarily conducts its business from the United States.

3. ORGANISATIONAL STRUCTURE

MSFL has no subsidiaries. It is a directly owned subsidiary of Morgan Stanley. In February 2016, MSFL was converted into a finance subsidiary of Morgan Stanley.

4. MANAGEMENT OF MSFL

The current managers of MSFL, their offices, if any, within MSFL and their principal outside activity, if any, are listed below. The business address of each manager is 1585 Broadway, New York, NY 10036.

<u>Name</u>	<u>Title</u>	<u>Principal Outside Activity</u>
Kevin Woodruff	President and Manager	Managing Director of Morgan Stanley
Nikki Tippins	Manager	Managing Director of Morgan Stanley
Joshua Schanzer	Manager	Executive Director of Morgan Stanley

There are no potential conflicts of interests between any duties to MSFL of its managers and their private interests and/or other duties.

5. BOARD PRACTICES

MSFL is not required to have an audit committee separate from that of its parent.

MSFL considers itself to be in compliance with all Delaware laws relating to corporate governance that are applicable to it.

6. MAJOR SHAREHOLDERS

MSFL is fully and directly owned by Morgan Stanley. For information regarding the beneficial ownership of Morgan Stanley's common stock, please see the section entitled "*Principal Shareholders*" in "*Description of Morgan Stanley*" above.

7. LEGAL PROCEEDINGS

There are no governmental, legal or arbitration proceedings involving MSFL (including any such proceedings which are pending or threatened of which MSFL is aware) during the 12-month period before the date of this Registration Document which may have, or have had in the recent past, a significant effect on the financial position or profitability of MSFL.

8. ADDITIONAL INFORMATION

Auditors

Deloitte & Touche LLP, 30 Rockefeller Plaza, New York, NY 10112, United States, an independent registered public accounting firm registered with the Public Company Accounting Oversight Board (United States of America) have audited the financial statements of MSFL as of and for the year ended 31 December 2020; and as of and for the year ended 31 December 2021, and unmodified opinions have been reported thereon, which include an explanatory paragraph referring to significant transactions with affiliates.

This document does not contain any other information in respect of MSFL that has been audited by Deloitte & Touche LLP.

Trend Information

MSFL intends to continue issuing securities. There has been no material adverse change in the prospects of MSFL since 31 December 2021.

Significant Change

There has been no significant change in the financial performance or position of MSFL since 30 June 2022, the date of the last published interim (unaudited) financial statements of MSFL.

Capitalisation

MSFL is authorised to issue a single class of limited liability company interests. The issued, allotted and fully paid capital of MSFL is USD 1,000. Each limited liability interest is entitled to one vote with respect to matters the members are entitled to vote for.

Limited Liability Company Agreement

MSFL's purpose is set out in Article 1.2 of its Limited Liability Company Agreement dated 27 March 2002 (as amended) and includes any activity for which limited liability companies may be organised in the State of Delaware. Such activities include the issuance of securities.

The Limited Liability Company Agreement was last amended on 21 January 2016.

SUBSIDIARIES OF MORGAN STANLEY*
AS OF 31 DECEMBER 2021

*Pursuant to Item 601(b)(21)(ii) of Regulation S-K, the names of certain other subsidiaries of Morgan Stanley are omitted because, considered in the aggregate as a single subsidiary, they would not constitute a "significant subsidiary" as that term is defined in Rule 1-02(w) of Regulation S-X under the Securities Exchange Act of 1934.

Company	Jurisdiction of Incorporation or Formation
Morgan Stanley	United States
Morgan Stanley Capital Management, LLC	United States
Morgan Stanley Domestic Holdings, Inc	United States
Morgan Stanley & Co. LLC	United States
Morgan Stanley Bank, N.A.	United States
Morgan Stanley Capital Group Inc.	United States
Morgan Stanley Capital Services LLC	United States
Morgan Stanley Investment Management Inc.	United States
Morgan Stanley Private Bank, National Association	United States
Morgan Stanley Services Group Inc.	United States
Morgan Stanley Smith Barney LLC	United States
Morgan Stanley Finance LLC	United States
Morgan Stanley Holdings LLC	United States
Morgan Stanley International Holdings Inc.	United States
Morgan Stanley Asia Holdings Limited	Cayman Islands
Morgan Stanley Japan Holdings Co., Ltd	Japan
Morgan Stanley MUFG Securities Co., Ltd	Japan
Morgan Stanley International Limited	United Kingdom
Morgan Stanley Europe Holding SE	Germany
Morgan Stanley Europe SE	Germany
Morgan Stanley Bank AG	Germany
Morgan Stanley Investments (UK)	United Kingdom
Morgan Stanley & Co. International plc	United Kingdom
Morgan Stanley Investment Management Limited	United Kingdom

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