

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

FORM 10-Q

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

***For the quarterly period ended March 31, 2025***

Commission File Number 1-11758

**Morgan Stanley**

(Exact name of Registrant as specified in its charter)

<b>Delaware</b> (State or other jurisdiction of incorporation or organization)	<b>1585 Broadway</b> <b>New York, NY 10036</b> (Address of principal executive offices, including Zip Code)	<b>36-3145972</b> (I.R.S. Employer Identification No.)	<b>(212) 761-4000</b> (Registrant's telephone number, including area code)
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**Securities registered pursuant to Section 12(b) of the Act:**

Title of each class	Trading Symbol(s)	Name of exchange on which registered
Common Stock, \$0.01 par value	MS	New York Stock Exchange
Depository Shares, each representing 1/1,000th interest in a share of Floating Rate Non-Cumulative Preferred Stock, Series A, \$0.01 par value	MS/PA	New York Stock Exchange
Depository Shares, each representing 1/1,000th interest in a share of Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series E, \$0.01 par value	MS/PE	New York Stock Exchange
Depository Shares, each representing 1/1,000th interest in a share of Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series F, \$0.01 par value	MS/PF	New York Stock Exchange
Depository Shares, each representing 1/1,000th interest in a share of Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series I, \$0.01 par value	MS/PI	New York Stock Exchange
Depository Shares, each representing 1/1,000th interest in a share of Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series K, \$0.01 par value	MS/PK	New York Stock Exchange
Depository Shares, each representing 1/1,000th interest in a share of 4.875% Non-Cumulative Preferred Stock, Series L, \$0.01 par value	MS/PL	New York Stock Exchange
Depository Shares, each representing 1/1,000th interest in a share of 4.250% Non-Cumulative Preferred Stock, Series O, \$0.01 par value	MS/PO	New York Stock Exchange
Depository Shares, each representing 1/1,000th interest in a share of 6.500% Non-Cumulative Preferred Stock, Series P, \$0.01 par value	MS/PP	New York Stock Exchange
Depository Shares, each representing 1/1,000th interest in a share of 6.625% Non-Cumulative Preferred Stock, Series Q, \$0.01 par value	MS/PQ	New York Stock Exchange
Global Medium-Term Notes, Series A, Fixed Rate Step-Up Senior Notes Due 2026 of Morgan Stanley Finance LLC (and Registrant's guarantee with respect thereto)	MS/26C	New York Stock Exchange
Global Medium-Term Notes, Series A, Floating Rate Notes Due 2029 of Morgan Stanley Finance LLC (and Registrant's guarantee with respect thereto)	MS/29	New York Stock Exchange

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

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

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

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

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

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

As of April 30, 2025, there were 1,604,319,158 shares of the Registrant's Common Stock, par value \$0.01 per share, outstanding.

# QUARTERLY REPORT ON FORM 10-Q

For the quarter ended March 31, 2025

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### Available Information

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

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

You can access information about our corporate governance at [www.morganstanley.com/about-us-governance](http://www.morganstanley.com/about-us-governance), our sustainability initiatives at [www.morganstanley.com/about-us/sustainability-at-morgan-stanley](http://www.morganstanley.com/about-us/sustainability-at-morgan-stanley), and our commitment to diversity and inclusion at [www.morganstanley.com/about-us/diversity](http://www.morganstanley.com/about-us/diversity). Our webpages include:

- Amended and Restated Certificate of Incorporation;
- Amended and Restated Bylaws;
- Charters for our Audit Committee, Compensation, Management Development and Succession Committee, Governance and Sustainability Committee, Operations and Technology Committee, and Risk Committee;
- Corporate Governance Policies;
- Policy Regarding Corporate Political Activities;
- Policy Regarding Shareholder Rights Plan;
- Equity Ownership Commitment;
- Code of Ethics and Business Conduct;
- Code of Conduct;
- Integrity Hotline Information;
- Environmental and Social Policies; and
- 2023 ESG Report.

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

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

### Introduction

Morgan Stanley is a global financial services firm that maintains significant market positions in each of its business segments—Institutional Securities, Wealth Management and Investment Management. Morgan Stanley, through its subsidiaries and affiliates, provides a wide variety of products and services to a large and diversified group of clients and customers, including corporations, governments, financial institutions and individuals. Unless the context otherwise requires, the terms “Morgan Stanley,” “Firm,” “us,” “we” or “our” mean Morgan Stanley (the “Parent Company”) together with its consolidated subsidiaries. See the “Glossary of Common Terms and Acronyms” for the definition of certain terms and acronyms used throughout this Form 10-Q.

A description of the clients and principal products and services of each of our business segments is 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 the underwriting of debt, equity securities and other products, as well as advice on mergers and acquisitions, restructurings and project finance. Our Markets business, which comprises Equity and Fixed Income, provides sales, financing, prime brokerage, market-making, 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 clients. 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. Wealth Management covers: financial advisor-led brokerage, custody, administrative and investment advisory services; self-directed brokerage services; financial and wealth planning services; workplace services, including stock plan administration; securities-based lending, residential and commercial real estate loans and other lending products; banking; and retirement plan services.

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

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

The results of operations in the past have been, and in the future may continue to be, materially affected by: competition; legislative, legal and regulatory developments; and other risk factors. These factors also may have an adverse impact on our ability to achieve our strategic objectives. Additionally, the discussion of our results of operations herein may contain forward-looking statements. These statements, which reflect management's beliefs and expectations, are subject to risks and uncertainties that may cause actual results to differ materially. For a discussion of the risks and uncertainties that may affect our future results, see “Forward-Looking Statements”, “Business—Competition”, “Business—Supervision and Regulation” and “Risk Factors” in the 2024 Form 10-K and “Liquidity and Capital Resources—Regulatory Requirements” herein.

## Executive Summary

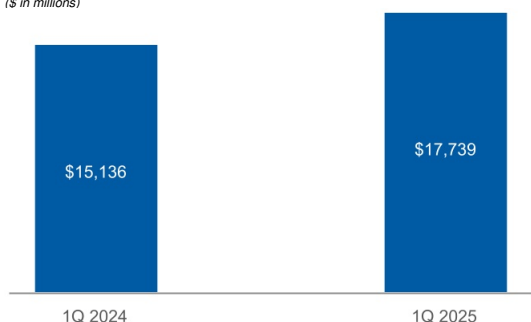
### Overview of Financial Results

#### Consolidated Results—Three Months Ended March 31, 2025

- The Firm reported net revenues of \$17.7 billion and net income of \$4.3 billion reflecting strong results across our business segments.
- The Firm delivered ROE of 17.4% and ROTCE of 23.0% (see "Selected Non-GAAP Financial Information" herein).
- The Firm's expense efficiency ratio was 68%. Expenses for the quarter included \$144 million of severance costs related to a March employee action across our business segments. (See "Non-Interest Expenses" herein for more information).
- The Firm accreted \$1.9 billion of Common Equity Tier 1 capital. At March 31, 2025, the Firm's Standardized Common Equity Tier 1 capital ratio was 15.3%.
- Institutional Securities reported net revenues of \$9.0 billion reflecting strong performance in Equity and in Investment Banking on higher Fixed Income underwriting revenues.
- Wealth Management delivered a pre-tax margin of 26.6%. Net revenues of \$7.3 billion reflect strong Asset management revenues. The business added net new assets of \$94 billion and fee-based asset flows were \$30 billion.
- Investment Management results reflect net revenues of \$1.6 billion, primarily driven by asset management fees on higher average AUM of \$1.7 trillion.

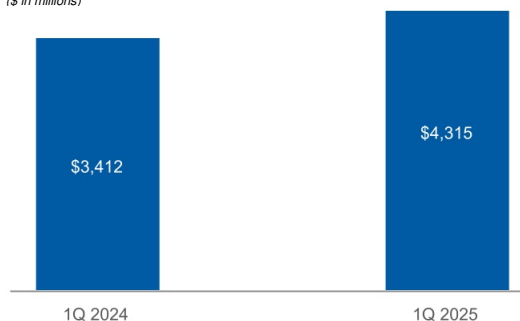
#### Net Revenues

(\$ in millions)

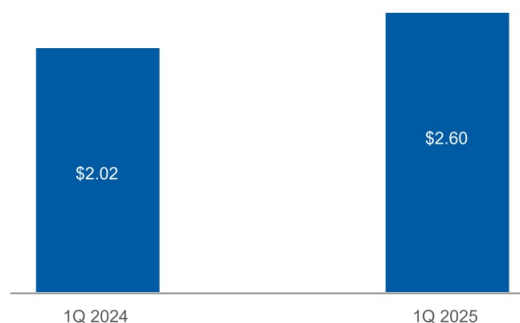


#### Net Income Applicable to Morgan Stanley

(\$ in millions)



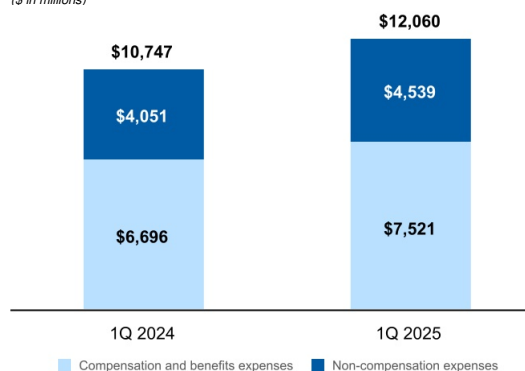
#### Earnings per Diluted Common Share



We reported net revenues of \$17.7 billion in the quarter ended March 31, 2025 ("current quarter," or "1Q 2025"), which increased by 17% compared with \$15.1 billion in the quarter ended March 31, 2024 ("prior year quarter," or "1Q 2024"). Net income applicable to Morgan Stanley was \$4.3 billion in the current quarter, which increased by 26% compared with \$3.4 billion in the prior year quarter. Diluted earnings per common share was \$2.60 in the current quarter, which increased by 29% compared with \$2.02 in the prior year quarter.

#### Non-Interest Expenses

(\$ in millions)



- Compensation and benefits expenses of \$7,521 million in the current quarter increased 12% from the prior year quarter, primarily due to higher discretionary incentive compensation and higher formulaic payout to Wealth Management representatives, both on higher revenues, and higher severance costs, partially offset by lower expenses related to certain employee deferred cash-based compensation plans linked to investment performance ("DCP").

During the current quarter, as a result of a March employee action, we recognized severance costs associated with a reduction in force ("RIF") of \$144 million, included in Compensation and benefits expenses. The RIF occurred across our business segments and geographic regions and impacted approximately 2% of our global workforce at that time. The RIF was related to performance management and the alignment of our workforce to our business needs, rather than a change in strategy or exit of businesses. We recorded severance costs of \$78 million in the Institutional Securities business segment, \$50 million in the Wealth Management business segment, and \$16 million in the Investment Management business segment for the current quarter. These costs were incurred across all regions, with the majority in the Americas.

- Non-compensation expenses of \$4,539 million in the current quarter increased 12% from the prior year quarter, primarily due to higher execution-related expenses.

#### Provision for Credit Losses

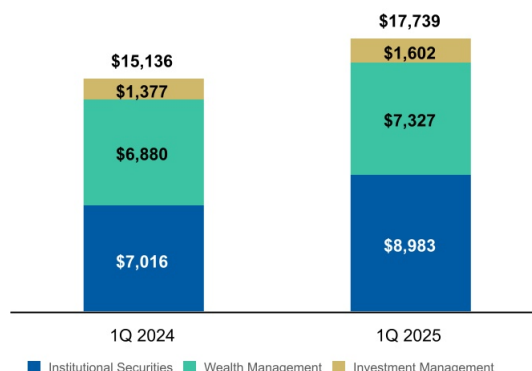
The Provision for credit losses on loans and lending commitments of \$135 million in the current quarter was primarily related to portfolio growth in secured lending facilities and corporate loans, provisions for certain specific loans, including residential real estate loans related to the California wildfires, and deterioration in the macroeconomic outlook. The macroeconomic outlook assumed in our ACL models and Provision for credit losses incorporated the weaker economic outlook and conditions as of March 31, 2025. The Provision for credit losses on loans and lending commitments in the prior year quarter was a net release of \$6 million, primarily as a result of improvements in the macroeconomic outlook, partially offset by provisions for certain specific commercial real estate and corporate loans and modest growth in certain other loan portfolios.

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

#### Business Segment Results

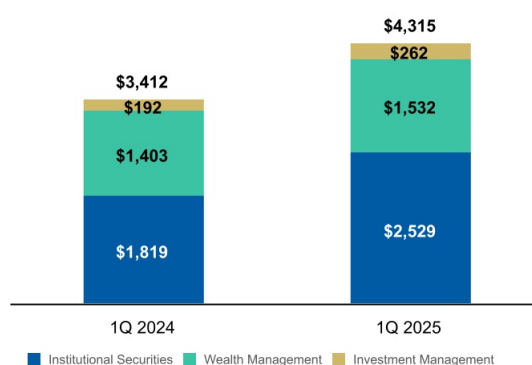
##### Net Revenues by Segment<sup>1</sup>

(\$ in millions)



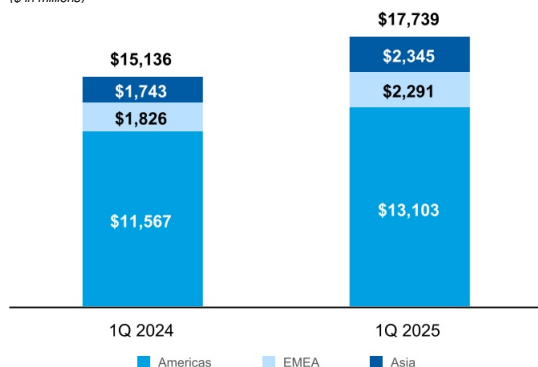
##### Net Income Applicable to Morgan Stanley by Segment<sup>1</sup>

(\$ in millions)



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

- Institutional Securities net revenues of \$8,983 million in the current quarter increased 28% from the prior year quarter, primarily reflecting higher results in Equity and gains on the sale of corporate loans held-for-sale compared with mark-to-market losses, inclusive of hedges, in the prior year quarter within Other net revenues.
- Wealth Management net revenues of \$7,327 million in the current quarter increased 6% from the prior year quarter, primarily reflecting higher Asset management revenues, partially offset by lower Transactional revenues.
- Investment Management net revenues of \$1,602 million in the current quarter increased 16% from the prior year quarter, reflecting higher Performance-based income and other revenues and higher Asset management and related fees.

**Net Revenues by Region<sup>1</sup>**
*(\$ in millions)*


1. For a discussion of how the geographic breakdown of net revenues is determined, see Note 22 to the financial statements in the 2024 Form 10-K.

- Americas net revenues in the current quarter increased 13% from the prior year quarter, driven by higher results across all business segments.
- EMEA net revenues in the current quarter increased 25% from the prior year quarter, primarily driven by higher Equity revenues within the Institutional Securities business segment and higher results within the Investment Management business segment.
- Asia net revenues in the current quarter increased 35% from the prior year quarter, primarily driven by higher Equity revenues within the Institutional Securities business segment.

**Selected Financial Information and Other Statistical Data**

<i>\$ in millions, except per share data</i>	Three Months Ended March 31,	
	2025	2024
<b>Consolidated results</b>		
Net revenues	\$ 17,739	\$ 15,136
Earnings applicable to Morgan Stanley common shareholders	\$ 4,157	\$ 3,266
Earnings per diluted common share	\$ 2.60	\$ 2.02
<b>Consolidated financial measures</b>		
Expense efficiency ratio <sup>1</sup>	68 %	71 %
ROE <sup>2</sup>	17.4 %	14.5 %
ROTCE <sup>2, 3</sup>	23.0 %	19.7 %
Pre-tax margin <sup>4</sup>	31 %	29 %
Effective tax rate	21.2 %	21.2 %
<b>Pre-tax margin by segment<sup>4</sup></b>		
Institutional Securities	37 %	34 %
Wealth Management	27 %	26 %
Investment Management	20 %	18 %

<i>\$ in millions, except per share data, worldwide employees and client assets</i>	At March 31, 2025	At December 31, 2024
Average liquidity resources for three months ended <sup>5</sup>	\$ 351,740	\$ 345,440
Loans <sup>6</sup>	\$ 258,969	\$ 246,814
Total assets	\$ 1,300,296	\$ 1,215,071
Deposits	\$ 381,563	\$ 376,007
Borrowings	\$ 305,390	\$ 288,819
Common equity	\$ 97,062	\$ 94,761
Tangible common equity <sup>3</sup>	\$ 74,044	\$ 71,604
Common shares outstanding	1,607	1,607
Book value per common share <sup>7</sup>	\$ 60.41	\$ 58.98
Tangible book value per common share <sup>3, 7</sup>	\$ 46.08	\$ 44.57
Worldwide employees (in thousands)	81	80
Client assets <sup>8</sup> (in billions)	\$ 7,662	\$ 7,860
<b>Capital Ratios<sup>9</sup></b>		
Common Equity Tier 1 capital—Standardized	15.3 %	15.9 %
Tier 1 capital—Standardized	17.2 %	18.0 %
Common Equity Tier 1 capital—Advanced	15.7 %	15.7 %
Tier 1 capital—Advanced	17.7 %	17.8 %
Tier 1 leverage	6.9 %	6.9 %
SLR	5.6 %	5.6 %

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

**Economic and Market Conditions**

The economic environment, client and investor confidence and overall market sentiment deteriorated in 2025, as recent developments around global trade and government policies resulted in increased economic uncertainty and market volatility. Geopolitical risks, inflation, as well as the timing and pace of central bank actions related to interest rates present ongoing risks to the economic environment and growth. These factors have impacted, and could continue to impact capital markets and our businesses, as discussed further in "Business Segments" herein.

For more information on economic and market conditions, and the potential effects of geopolitical events and acts of war or aggression on our future results, refer to "Risk Factors" and "Forward-Looking Statements" in the 2024 Form 10-K.

**Selected Non-GAAP Financial Information**

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

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

We present certain non-GAAP financial measures that exclude the impact of mark-to-market gains and losses on DCP investments from net revenues and compensation expenses. The impact of DCP is primarily reflected in our Wealth Management business segment results. These measures allow for better comparability of period-to-period underlying operating performance and revenue trends, especially in our Wealth Management business segment. By excluding the impact of these items, we are better able to describe the business drivers and resulting impact to net revenues and corresponding change to the associated compensation expenses. For additional information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Other Matters" in the 2024 Form 10-K.

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

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

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

	Three Months Ended March 31,	
\$ in millions	2025	2024
<b>Net revenues</b>	<b>\$ 17,739</b>	<b>\$ 15,136</b>
Adjustment for mark-to-market losses (gains) on DCP <sup>1</sup>	149	(187)
Adjusted Net revenues—non-GAAP	<b>\$ 17,888</b>	<b>\$ 14,949</b>
<b>Compensation expense</b>	<b>\$ 7,521</b>	<b>\$ 6,696</b>
Adjustment for mark-to-market gains (losses) on DCP <sup>1</sup>	2	(249)
Adjusted Compensation expense—non-GAAP	<b>\$ 7,523</b>	<b>\$ 6,447</b>
<b>Wealth Management Net revenues</b>	<b>\$ 7,327</b>	<b>\$ 6,880</b>
Adjustment for mark-to-market losses (gains) on DCP <sup>1</sup>	131	(140)
Adjusted Wealth Management Net revenues—non-GAAP	<b>\$ 7,458</b>	<b>\$ 6,740</b>
<b>Wealth Management Compensation expense</b>	<b>\$ 3,999</b>	<b>\$ 3,788</b>
Adjustment for mark-to-market gains (losses) on DCP <sup>1</sup>	17	(156)
Adjusted Wealth Management Compensation expense—non-GAAP	<b>\$ 4,016</b>	<b>\$ 3,632</b>

1. Net revenues and compensation expense are adjusted for DCP for both Firm and Wealth Management business segment. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Other Matters" in the 2024 Form 10-K for more information.

	At March 31, 2025	At December 31, 2024
\$ in millions		
<b>Tangible equity</b>		
Common equity	<b>\$ 97,062</b>	<b>\$ 94,761</b>
Less: Goodwill and net intangible assets	(23,018)	(23,157)
<b>Tangible common equity—non-GAAP</b>	<b>\$ 74,044</b>	<b>\$ 71,604</b>



\$ in millions	Average Monthly Balance	
	Three Months Ended	
	March 31,	
	2025	2024
<b>Tangible equity</b>		
Common equity	\$ 95,488	\$ 89,913
Less: Goodwill and net intangible assets	(23,083)	(23,705)
<b>Tangible common equity—non-GAAP</b>	<b>\$ 72,405</b>	<b>\$ 66,208</b>

For an overview of the components of our business segments, net revenues, provision for credit losses, compensation expense and income taxes, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Business Segments" in the 2024 Form 10-K.

**Non-GAAP Financial Measures by Business Segment**

\$ in billions	Three Months Ended	
	March 31,	
	2025	2024
<b>Average common equity<sup>1</sup></b>		
Institutional Securities	\$ 48.4	\$ 45.0
Wealth Management	29.4	29.1
Investment Management	10.6	10.8
<b>ROE<sup>2</sup></b>		
Institutional Securities	20 %	15 %
Wealth Management	20 %	19 %
Investment Management	10 %	7 %
<b>Average tangible common equity<sup>1</sup></b>		
Institutional Securities	\$ 48.0	\$ 44.6
Wealth Management	16.3	15.5
Investment Management	1.0	1.1
<b>ROTCE<sup>2</sup></b>		
Institutional Securities	20 %	15 %
Wealth Management	37 %	35 %
Investment Management	104 %	68 %

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

**Return on Tangible Common Equity Goal**

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

See "Risk Factors" and "Forward-Looking Statements" in the 2024 Form 10-K for further information on market and economic conditions and their potential effects on our future operating results.

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

**Business Segments**

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

## Institutional Securities

### Income Statement Information

\$ in millions	Three Months Ended March 31,		% Change
	2025	2024	
<b>Revenues</b>			
Advisory	\$ 563	\$ 461	22 %
Equity	319	430	(26) %
Fixed Income	677	556	22 %
Total Underwriting	996	986	1 %
Total Investment Banking	1,559	1,447	8 %
Equity	4,128	2,842	45 %
Fixed Income	2,604	2,485	5 %
Other	692	242	186 %
<b>Net revenues</b>	<b>8,983</b>	<b>7,016</b>	<b>28 %</b>
<b>Provision for credit losses</b>	<b>91</b>	<b>2</b>	<b>N/M</b>
Compensation and benefits	2,854	2,343	22 %
Non-compensation expenses	2,757	2,320	19 %
<b>Total non-interest expenses</b>	<b>5,611</b>	<b>4,663</b>	<b>20 %</b>
Income before provision for income taxes	3,281	2,351	40 %
Provision for income taxes	696	482	44 %
Net income	2,585	1,869	38 %
Net income applicable to noncontrolling interests	56	50	12 %
<b>Net income applicable to Morgan Stanley</b>	<b>\$ 2,529</b>	<b>\$ 1,819</b>	<b>39 %</b>

### Investment Banking

#### Investment Banking Volumes

\$ in billions	Three Months Ended March 31,		
	2025	2024	
Completed mergers and acquisitions <sup>1</sup>	\$ 140	\$ 116	
Equity and equity-related offerings <sup>2,3</sup>	13	17	
Fixed Income offerings <sup>2,4</sup>	98	98	

Source: LSEG Data & Risk Analytics (formerly known as Refinitiv) as of April 1, 2025. Transaction volumes may not be indicative of net revenues in a given period. In addition, transaction volumes for prior periods may vary from amounts previously reported due to the subsequent withdrawal, change in value or change in timing of certain transactions.

1. Includes transactions of \$100 million or more. Based on full credit to each of the advisors in a transaction.
2. Based on full credit for single book managers and equal credit for joint book managers.
3. Includes Rule 144A issuances and registered public offerings of common stock, convertible securities and rights offerings.
4. Includes Rule 144A and publicly registered issuances, non-convertible preferred stock, mortgage-backed and asset-backed securities, and taxable municipal debt. Excludes leveraged loans and self-led issuances.

#### Investment Banking Revenues

Net revenues of \$1,559 million in the current quarter increased 8% from the prior year quarter, reflecting higher Fixed Income underwriting and Advisory revenues, partially offset by lower Equity underwriting revenues.

- Advisory revenues increased on higher completed M&A transactions.

- Equity underwriting revenues decreased primarily on lower secondary block share trades and initial public offerings.
- Fixed Income underwriting revenues increased primarily in non-investment grade loan issuances.

While Investment Banking results have shown improvement in recent quarters, we continue to operate in a market environment with lower completed M&A activity relative to longer-term averages. The current economic environment may continue to delay expectations of increased M&A activity.

See "Investment Banking Volumes" herein.

### Equity, Fixed Income and Other Net Revenues

#### Equity and Fixed Income Net Revenues

\$ in millions	Three Months Ended March 31, 2025				
	Trading	Fees <sup>1</sup>	Net Interest <sup>2</sup>	All Other <sup>3</sup>	Total
Financing	\$ 2,267	\$ 156	\$ (596)	\$ 1	\$ 1,828
Execution services	1,469	798	(98)	131	2,300
<b>Total Equity</b>	<b>\$ 3,736</b>	<b>\$ 954</b>	<b>\$ (694)</b>	<b>\$ 132</b>	<b>\$ 4,128</b>
<b>Total Fixed Income</b>	<b>\$ 2,407</b>	<b>\$ 107</b>	<b>\$ 19</b>	<b>\$ 71</b>	<b>\$ 2,604</b>

\$ in millions	Three Months Ended March 31, 2024				
	Trading	Fees <sup>1</sup>	Net Interest <sup>2</sup>	All Other <sup>3</sup>	Total
Financing	\$ 2,022	\$ 136	\$ (891)	\$ 1	\$ 1,268
Execution services	972	609	(41)	34	1,574
<b>Total Equity</b>	<b>\$ 2,994</b>	<b>\$ 745</b>	<b>\$ (932)</b>	<b>\$ 35</b>	<b>\$ 2,842</b>
<b>Total Fixed Income</b>	<b>\$ 2,594</b>	<b>\$ 104</b>	<b>\$ (292)</b>	<b>\$ 79</b>	<b>\$ 2,485</b>

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

### Equity

Net revenues of \$4,128 million in the current quarter increased 45% compared with the prior year quarter, reflecting an increase in both Execution services and Financing.

- Financing revenues increased primarily due to higher gains on inventory held to facilitate client activity and increased client activity.
- Execution services revenues increased primarily due to higher gains on inventory held to facilitate client activity and increased client activity in derivatives and cash equities.

### Fixed Income

Net revenues of \$2,604 million in the current quarter increased 5% from the prior year quarter, primarily reflecting an increase in Global macro products, partially offset by a decrease in Commodities and Credit products.

- Global macro products revenues increased primarily on foreign exchange products due to gains compared with

losses in the prior year quarter on inventory held to facilitate client activity and increased client activity.

- Credit products revenues decreased primarily due to lower gains on inventory held to facilitate client activity, partially offset by higher lending and securitized products activity.
- Commodities products and other fixed income revenues decreased primarily due to lower gains on inventory held to facilitate client activity.

**Other Net Revenues**

Other net revenues were \$692 million in the current quarter, compared with \$242 million in the prior year quarter, primarily reflecting gains on the sale of corporate loans held-for-sale compared with mark-to-market losses, inclusive of hedges, in the prior year quarter.

**Provision for Credit Losses**

The Provision for credit losses on loans and lending commitments of \$91 million in the current quarter was primarily related to portfolio growth in secured lending facilities and corporate loans and deterioration in the macroeconomic outlook. The Provision for credit losses on loans and lending commitments of \$2 million in the prior year quarter was primarily related to modest growth in certain loan portfolios and provisions for certain specific commercial real estate and corporate loans, partially offset by improvements in the macroeconomic outlook.

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

**Non-Interest Expenses**

Non-interest expenses of \$5,611 million in the current quarter increased 20% compared with the prior year quarter as a result of higher Compensation and benefits expenses and Non-compensation expenses.

- Compensation and benefits expenses increased primarily due to higher discretionary incentive compensation on higher revenues, higher expenses related to outstanding deferred cash- and equity-based compensation and higher severance costs associated with a RIF in March.
- Non-compensation expenses increased primarily reflecting higher execution-related expenses.

	Three Months Ended March 31,		
<i>\$ in millions</i>	2025	2024	% Change
<b>Revenues</b>			
Asset management	\$ 4,396	\$ 3,829	15 %
Transactional <sup>1</sup>	873	1,033	(15) %
Net interest	1,902	1,856	2 %
Other <sup>2</sup>	156	162	(4) %
<b>Net revenues</b>	<b>7,327</b>	<b>6,880</b>	<b>6 %</b>
<b>Provision for credit losses</b>	<b>44</b>	<b>(8)</b>	<b>N/M</b>
Compensation and benefits	3,999	3,788	6 %
Non-compensation expenses	1,333	1,294	3 %
<b>Total non-interest expenses</b>	<b>5,332</b>	<b>5,082</b>	<b>5 %</b>
Income before provision for income taxes	1,951	1,806	8 %
Provision for income taxes	419	403	4 %
<b>Net income applicable to Morgan Stanley</b>	<b>\$ 1,532</b>	<b>\$ 1,403</b>	<b>9 %</b>

- ### Wealth Management Metrics

	At December 31, 2025		At December 31, 2024	
<i>\$ in billions</i>				
Total client assets <sup>1</sup>	\$	6,015	\$	6,194
U.S. Bank Subsidiary loans	\$	163	\$	160
Margin and other lending <sup>2</sup>	\$	28	\$	28
Deposits <sup>3</sup>	\$	375	\$	370
Annualized weighted average cost of deposits <sup>4</sup>				
Period end		2.77%		2.73%
Period average for three months ended		2.77%		2.94%

	Three Months Ended March 31,	
	2025	2024
Net new assets	\$ 93.8	\$ 94.9

1. Client assets represent those for which Wealth Management is providing services including financial advisor-led brokerage, custody, administrative and investment advisory services; self-directed brokerage and investment advisory services; financial and wealth planning services; workplace services, including stock plan administration, and retirement plan services. See "Advisor-Led Channel" and "Self-Directed Channel" herein for additional information.
2. Margin and other lending represents margin lending arrangements, which allow customers to borrow against the value of qualifying securities and other lending which includes non-purpose securities-based lending on non-bank entities.
3. Deposits reflect liabilities sourced from Wealth Management clients and other sources of funding on our U.S. Bank Subsidiaries. Deposits include sweep deposit programs, savings and other deposits, and time deposits.
4. Annualized weighted average represents the total annualized weighted average cost of the various deposit products. Amounts include the effect of related hedging derivatives. The period end cost of deposits is based upon balances and rates as of March 31, 2025 and December 31, 2024. The period average is based on daily balances and rates for the period.

NNA represent client asset inflows, inclusive of interest, dividends and asset acquisitions, less client asset outflows, and exclude the impact of business combinations/divestitures and the impact of fees and commissions. The level of NNA in a given period is influenced by a variety of factors, including

### Advisor-Led Channel

	At March 31, 2025	At December 31, 2024
<i>\$ in billions</i>		
Advisor-led client assets <sup>1</sup>	\$ 4,719	\$ 4,758
Fee-based client assets <sup>2</sup>	\$ 2,349	\$ 2,347
Fee-based client assets as a percentage of advisor-led client assets	50%	49%
	Three Months Ended March 31,	
	2025	2024
Fee-based asset flows <sup>3</sup>	\$ 29.8	\$ 26.2

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

	At March 31, 2025	At December 31, 2024
Self-directed client assets <sup>1</sup> (in billions)	\$ 1,295	\$ 1,437
Self-directed households <sup>2</sup> (in millions)	8.3	8.3
	Three Months Ended March 31,	
	2025	2024
Daily average revenue trades ("DARTs") <sup>3</sup> (in thousands)	1,003	841

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

	At March 31, 2025	At December 31, 2024
Stock plan unvested assets <sup>2</sup> (in billions)	\$ 431	\$ 475
Stock plan participants <sup>3</sup> (in millions)	6.7	6.6

1. The workplace channel includes equity compensation solutions for companies, their executives and employees.
2. Stock plan unvested assets represent the market value of public company securities at the end of the period..
3. Stock plan participants represent total accounts with vested and/or unvested stock plan assets in the workplace channel. Individuals with accounts in multiple plans are counted as participants in each plan.

## Asset Management

Asset management revenues of \$4,396 million in the current quarter increased 15% compared with the prior quarter, primarily reflecting higher fee-based assets due to higher

market levels and the cumulative impact of positive fee-based flows.

See "Fee-Based Client Assets Rollforwards" herein.

### Transactional Revenues

Transactional revenues of \$873 million in the current quarter decreased 15% compared with the prior year quarter, primarily driven by losses on DCP investments compared with gains in the prior year quarter, partially offset by higher client activity particularly in equity-related transactions.

For further information on the impact of DCP, see "Selected Non-GAAP Financial Information" herein.

### Net Interest

Net interest revenues of \$1,902 million in the current quarter increased 2% compared with the prior year quarter, primarily due to lending growth and higher yields on the investment portfolio, partially offset by lower average sweep deposits.

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

### Provision for Credit Losses

The Provision for credit losses on loans and lending commitments of \$44 million in the current quarter was primarily related to certain specific loans, including residential real estate loans related to the California wildfires. The Provision for credit losses on loans and lending commitments was a net release of \$8 million in the prior year quarter as a result of improvements in the macroeconomic outlook. This was partially offset by provisions for certain specific commercial real estate loans.

### Non-Interest Expenses

Non-interest expenses of \$5,332 million in the current quarter increased 5% compared with the prior year quarter, primarily as a result of higher Compensation and benefits expenses.

- Compensation and benefits expenses increased in the current quarter, primarily as a result of an increase in the formulaic payout to Wealth Management representatives on higher compensable revenues and higher severance costs associated with a RIF in March, partially offset by lower expenses related to DCP.

For further information on the impact of DCP, see "Selected Non-GAAP Financial Information" herein.

- Non-compensation expenses were relatively unchanged compared with the prior year quarter.

### Fee-Based Client Assets Rollforwards

\$ in billions	At Dec 31, 2024	Inflows <sup>1</sup>	Outflows <sup>2</sup>	Market Impact <sup>3</sup>	At March 31, 2025
Separately managed <sup>4</sup>	\$ 719	\$ 20	\$ (12)	\$ (5)	\$ 722
Unified managed	613	35	(18)	(7)	623
Advisor	207	9	(11)	(4)	201
Portfolio manager	750	33	(27)	(13)	743
Subtotal	\$ 2,289	\$ 97	\$ (68)	\$ (29)	\$ 2,289
Cash management	58	11	(9)	—	60
<b>Total fee-based client assets</b>	<b>\$ 2,347</b>	<b>\$ 108</b>	<b>\$ (77)</b>	<b>\$ (29)</b>	<b>\$ 2,349</b>

\$ in billions	At Dec 31, 2023	Inflows <sup>1</sup>	Outflows <sup>2</sup>	Market Impact <sup>3</sup>	At Mar 31, 2024
Separately managed <sup>4</sup>	\$ 589	\$ 16	\$ (13)	\$ 39	\$ 631
Unified managed	501	31	(14)	27	545
Advisor	188	9	(11)	12	198
Portfolio manager	645	32	(24)	35	688
Subtotal	\$ 1,923	\$ 88	\$ (62)	\$ 113	\$ 2,062
Cash management	60	12	(10)	—	62
<b>Total fee-based client assets</b>	<b>\$ 1,983</b>	<b>\$ 100</b>	<b>\$ (72)</b>	<b>\$ 113</b>	<b>\$ 2,124</b>

1. Inflows include new accounts, account transfers, deposits, dividends and interest.

2. Outflows include closed or terminated accounts, account transfers, withdrawals and client fees.

3. Market impact includes realized and unrealized gains and losses on portfolio investments.

4. Includes non-custody account values based on asset values reported on a quarter lag by third-party custodians.

**Average Fee Rates<sup>1</sup>**

<i>Fee rate in bps</i>	Three Months Ended March 31,	
	2025	2024
Separately managed	12	12
Unified managed	90	91
Advisor	79	79
Portfolio manager	88	90
Subtotal	64	65
Cash management	7	6
<b>Total fee-based client assets</b>	<b>63</b>	<b>63</b>

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

For a description of fee-based client assets in the previous tables, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Business Segments—Wealth Management Fee-Based Client Assets" in the 2024 Form 10-K.

## Investment Management

### Income Statement Information

	Three Months Ended March 31,		
<i>\$ in millions</i>	2025	2024	% Change
<b>Revenues</b>			
Asset management and related fees	\$ 1,451	\$ 1,346	8 %
Performance-based income and other <sup>1</sup>	151	31	N/M
<b>Net revenues</b>	<b>1,602</b>	<b>1,377</b>	<b>16 %</b>
Compensation and benefits	668	565	18 %
Non-compensation expenses	611	571	7 %
<b>Total non-interest expenses</b>	<b>1,279</b>	<b>1,136</b>	<b>13 %</b>
Income before provision for income taxes	323	241	34 %
Provision for income taxes	61	49	24 %
<b>Net income</b>	<b>262</b>	<b>192</b>	<b>36 %</b>
<b>Net income applicable to Morgan Stanley</b>	<b>\$ 262</b>	<b>\$ 192</b>	<b>36 %</b>

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

### Net Revenues

#### Asset Management and Related Fees

Asset management and related fees of \$1,451 million in the current quarter increased 8% from the prior year quarter, primarily driven by higher average AUM on higher market levels.

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

See "Assets Under Management or Supervision" herein.

#### Performance-based Income and Other

Performance-based income and other revenues of \$151 million in the current quarter increased from the prior year quarter, as a result of higher accrued carried interest in infrastructure funds.

### Non-Interest Expenses

Non-interest expenses of \$1,279 million in the current quarter increased 13% from the prior year quarter, as a result of higher Compensation and benefits expenses.

- Compensation and benefits expenses increased in the current quarter, primarily due to higher compensation

associated with carried interest and higher severance costs associated with a RIF in March.

- Non-compensation expenses increased in the current quarter, primarily due to higher distribution expenses on higher average AUM.

### Assets Under Management or Supervision Rollforwards

\$ in billions	At Dec 31, 2024	Inflows <sup>1</sup>	Outflows <sup>2</sup>	Market Impact <sup>3</sup>	Other <sup>4</sup>	At Mar 31, 2025
Equity	\$ 312	\$ 11	\$ (16)	\$ (9)	\$ 3	\$ 301
Fixed Income	192	18	(13)	3	(1)	199
Alternatives and Solutions	593	40	(32)	(10)	—	591
Long-Term AUM	\$ 1,097	\$ 69	\$ (61)	\$ (16)	\$ 2	\$ 1,091
Liquidity and Overlay Services	569	687	(702)	6	(4)	556
<b>Total</b>	<b>\$ 1,666</b>	<b>\$ 756</b>	<b>\$ (763)</b>	<b>\$ (10)</b>	<b>\$ (2)</b>	<b>\$ 1,647</b>

\$ in billions	At Dec 31, 2023	Inflows <sup>1</sup>	Outflows <sup>2</sup>	Market Impact <sup>3</sup>	Other <sup>4</sup>	At Mar 31, 2024
Equity	\$ 295	\$ 11	\$ (16)	\$ 24	\$ (4)	\$ 310
Fixed Income	171	17	(13)	1	(2)	174
Alternatives and Solutions	508	35	(24)	26	(2)	543
Long-Term AUM	\$ 974	\$ 63	\$ (53)	\$ 51	\$ (8)	\$ 1,027
Liquidity and Overlay Services	485	522	(531)	6	(4)	478
<b>Total</b>	<b>\$ 1,459</b>	<b>\$ 585</b>	<b>\$ (584)</b>	<b>\$ 57</b>	<b>\$ (12)</b>	<b>\$ 1,505</b>

1. Inflows represent investments or commitments from new and existing clients in new or existing investment products, including reinvestments of client dividends and increases in invested capital. Inflows exclude the impact of exchanges, whereby a client changes positions within the same asset class.
2. Outflows represent redemptions from clients' funds, transition of funds from the committed capital period to the invested capital period and decreases in invested capital. Outflows exclude the impact of exchanges, whereby a client changes positions within the same asset class.
3. Market impact includes realized and unrealized gains and losses on portfolio investments. This excludes any funds where market impact does not impact management fees.
4. Other contains both distributions and foreign currency impact for all periods. Distributions represent decreases in invested capital due to returns of capital after the investment period of a fund. It also includes fund dividends that the client has not reinvested. Foreign currency impact reflects foreign currency changes for non-U.S. dollar denominated funds.

### Average AUM

\$ in billions	Three Months Ended March 31,	
	2025	2024
Equity	\$ 313	\$ 302
Fixed income	197	172
Alternatives and Solutions	599	523
Long-term AUM subtotal	1,109	997
Liquidity and Overlay Services	560	482
<b>Total AUM</b>	<b>\$ 1,669</b>	<b>\$ 1,479</b>

**Average Fee Rates<sup>1</sup>**

<i>Fee rate in bps</i>	Three Months Ended March 31,	
	2025	2024
Equity	70	71
Fixed income	36	36
Alternatives and Solutions	28	29
Long-term AUM	41	43
Liquidity and Overlay Services	13	13
Total AUM	32	33

1. Based on Asset management revenues, net of waivers, excluding performance-based fees and other non-management fees. For certain non-U.S. funds, it includes the portion of advisory fees that the advisor collects on behalf of third-party distributors. The payment of those fees to the distributor is included in Non-compensation expenses in the income statement.

For a description of the asset classes in the previous tables, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Business Segments—Investment Management—Assets Under Management or Supervision" in the 2024 Form 10-K.



## Supplemental Financial Information

### U.S. Bank Subsidiaries

Our U.S. Bank Subsidiaries, Morgan Stanley Bank N.A. ("MSBNA") and Morgan Stanley Private Bank, National Association ("MSPBNA") (together, "U.S. Bank Subsidiaries"), accept deposits, provide loans to a variety of customers, including large corporate and institutional clients, as well as high to ultra-high net worth individuals, and invest in securities. Lending activity in our U.S. Bank Subsidiaries from the Institutional Securities business segment primarily includes Secured lending facilities, Commercial and Residential real estate and Corporate loans. Lending activity in our U.S. Bank Subsidiaries from the Wealth Management business segment primarily includes Securities-based lending, which allows clients to borrow money against the value of qualifying securities, and Residential real estate loans.

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

#### U.S. Bank Subsidiaries' Supplemental Financial Information<sup>1</sup>

\$ in billions	At March 31, 2025	At December 31, 2024
<b>Investment securities:</b>		
Available-for-sale at fair value	\$ 78.2	\$ 76.5
Held-to-maturity	47.2	47.8
<b>Total Investment securities</b>	<b>\$ 125.4</b>	<b>\$ 124.3</b>
<b>Wealth Management loans<sup>2</sup></b>		
Residential real estate	\$ 67.5	\$ 66.6
Securities-based lending and Other <sup>3</sup>	95.0	92.9
<b>Total Wealth Management loans</b>	<b>\$ 162.5</b>	<b>\$ 159.5</b>
<b>Institutional Securities loans<sup>2</sup></b>		
Corporate	\$ 10.9	\$ 7.1
Secured lending facilities	54.0	50.2
Commercial and Residential real estate	11.2	10.5
Securities-based lending and Other	6.1	5.6
<b>Total Institutional Securities loans</b>	<b>\$ 82.2</b>	<b>\$ 73.4</b>
<b>Total assets</b>	<b>\$ 442.4</b>	<b>\$ 434.8</b>
Deposits <sup>4</sup>	\$ 375.5	\$ 369.7

1. Amounts exclude transactions between the bank subsidiaries, as well as deposits from the Parent Company and affiliates.

2. Represents loans, net of ACL. For a further discussion of loans in the Wealth Management and Institutional Securities business segments, see "Quantitative and Qualitative Disclosures about Risk—Credit Risk" herein.

3. Other loans primarily include tailored lending. For a further discussion of Other loans, see "Quantitative and Qualitative Disclosures about Risk—Credit Risk" herein.

4. For further information on deposits, see "Liquidity and Capital Resources—Funding Management—Balance Sheet—Unsecured Financing" herein.

### Accounting Development Updates

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

We continue to evaluate accounting updates disclosed in the "Accounting Development Updates" section of the 2024 Form 10-K, including the implementation of the Income Tax Disclosures accounting update, and do not expect a material impact on our financial condition or results of operations upon adoption.

### Critical Accounting Estimates

Our financial statements are prepared in accordance with U.S. GAAP, which requires us to make estimates and assumptions (see Note 1 to the financial statements). We believe that of our significant accounting policies (see Note 2 to the financial statements in the 2024 Form 10-K and Note 2 to the financial statements), the fair value of financial instruments, goodwill and intangible assets, legal and regulatory contingencies (see Note 14 to the financial statements in the 2024 Form 10-K and Note 13 to the financial statements) and income taxes policies involve a higher degree of judgment and complexity. For a further discussion about our critical accounting policies, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Estimates" in the 2024 Form 10-K.

### Liquidity and Capital Resources

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

### Balance Sheet

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

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

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

**Total Assets by Business Segment**

\$ in millions	At March 31, 2025			
	IS	WM	IM	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 73,451	\$ 17,204	\$ 84	\$ 90,739
Trading assets at fair value	385,402	9,614	5,227	400,243
Investment securities	34,722	123,560	—	158,282
Securities purchased under agreements to resell	94,954	24,094	—	119,048
Securities borrowed	139,436	790	—	140,226
Customer and other receivables	53,650	37,018	1,485	92,153
Loans <sup>1</sup>	86,402	162,497	4	248,903
Goodwill	438	10,192	6,084	16,714
Intangible assets	25	2,818	3,462	6,305
Other assets <sup>2</sup>	15,239	11,192	1,252	27,683
<b>Total assets</b>	<b>\$ 883,719</b>	<b>\$ 398,979</b>	<b>\$ 17,598</b>	<b>\$ 1,300,296</b>

\$ in millions	At December 31, 2024			
	IS	WM	IM	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 74,079	\$ 31,072	\$ 235	\$ 105,386
Trading assets at fair value	320,003	6,915	4,966	331,884
Investment securities	38,096	121,583	—	159,679
Securities purchased under agreements to resell	100,404	18,161	—	118,565
Securities borrowed	121,901	1,958	—	123,859
Customer and other receivables	47,321	37,196	1,641	86,158
Loans <sup>1</sup>	78,607	159,542	4	238,153
Goodwill	435	10,190	6,081	16,706
Intangible assets	27	2,939	3,487	6,453
Other assets <sup>2</sup>	15,735	11,292	1,201	28,228
<b>Total assets</b>	<b>\$ 796,608</b>	<b>\$ 400,848</b>	<b>\$ 17,615</b>	<b>\$ 1,215,071</b>

1. Amounts include loans held for investment, net of ACL, and loans held for sale but exclude loans at fair value, which are included in Trading assets in the balance sheet (see Note 9 to the financial statements).

2. Other assets primarily includes premises, equipment and software, ROU assets related to leases, other investments, and deferred tax assets.

A substantial portion of total assets consists of cash and cash equivalents, liquid marketable securities and short-term receivables. In the Institutional Securities business segment, these arise from market-making, financing and prime brokerage activities, and in the Wealth Management business segment, these arise from banking activities, including management of the investment portfolio.

**Liquidity Risk Management Framework**

The core components of our Liquidity Risk Management Framework are the Required Liquidity Framework, Liquidity Stress Tests and Liquidity Resources, which support our target liquidity profile. For a further discussion about the Firm's Required Liquidity Framework and Liquidity Stress Tests, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Liquidity Risk Management Framework" in the 2024 Form 10-K.

At March 31, 2025 and December 31, 2024, we maintained sufficient liquidity to meet current and contingent funding obligations as modeled in our Liquidity Stress Tests.

**Liquidity Resources**

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

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

**Liquidity Resources by Type of Investment**

\$ in millions	Average Daily Balance Three Months Ended	
	March 31, 2025	December 31, 2024
Cash deposits with central banks	\$ 58,279	\$ 58,493
Unencumbered HQLA Securities <sup>1</sup> :		
U.S. government obligations	167,173	161,952
U.S. agency and agency mortgage-backed securities	92,728	94,512
Non-U.S. sovereign obligations <sup>2</sup>	26,132	22,646
Other investment grade securities	182	600
Total HQLA <sup>1</sup>	\$ 344,494	\$ 338,203
Cash deposits with banks (non-HQLA)	7,246	7,237
<b>Total Liquidity Resources</b>	<b>\$ 351,740</b>	<b>\$ 345,440</b>

1. HQLA is presented prior to applying weightings and includes all HQLA held in subsidiaries.

2. Primarily composed of unencumbered French, U.K., Japanese, Italian, German, and Spanish government obligations.

**Liquidity Resources by Non-Bank and Bank Legal Entities**

\$ in millions	Average Daily Balance Three Months Ended	
	March 31, 2025	December 31, 2024
<b>Non-Bank legal entities</b>		
U.S.:		
Parent Company	\$ 79,172	\$ 71,981
Non-Parent Company	58,994	61,684
Total U.S.	138,166	133,665
Non-U.S.	63,092	61,432
Total Non-Bank legal entities	201,258	195,097
<b>Bank legal entities</b>		
U.S.	144,302	144,735
Non-U.S.	6,180	5,608
Total Bank legal entities	150,482	150,343
<b>Total Liquidity Resources</b>	<b>\$ 351,740</b>	<b>\$ 345,440</b>

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

**Regulatory Liquidity Framework**
**Liquidity Coverage Ratio and Net Stable Funding Ratio**

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

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

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

As of March 31, 2025, we and our U.S. Bank Subsidiaries are compliant with the minimum LCR and NSFR requirements of 100%.

**Liquidity Coverage Ratio**

\$ in millions	Average Daily Balance Three Months Ended	
	March 31, 2025	December 31, 2024
<b>Eligible HQLA</b>		
Cash deposits with central banks	\$ 53,674	\$ 53,836
Securities <sup>1</sup>	221,883	213,394
<b>Total Eligible HQLA</b>	<b>\$ 275,557</b>	<b>\$ 267,230</b>
Net cash outflows	\$ 212,276	\$ 205,780
<b>LCR</b>	<b>130 %</b>	<b>130 %</b>

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

**Funding Management**

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

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

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

**Secured Financing**

For a discussion of our secured financing activities, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Funding Management—Secured Financing" in the 2024 Form 10-K.

**Collateralized Financing Transactions**

\$ in millions	At	
	March 31, 2025	December 31, 2024
Securities purchased under agreements to resell and Securities borrowed	\$ 259,274	\$ 242,424
Securities sold under agreements to repurchase and Securities loaned	\$ 85,876	\$ 65,293
Securities received as collateral <sup>1</sup>	\$ 3,159	\$ 9,625

1. Included within Trading assets in the balance sheet.

\$ in millions	Average Daily Balance Three Months Ended	
	March 31, 2025	December 31, 2024
Securities purchased under agreements to resell and Securities borrowed	\$ 237,750	\$ 250,354
Securities sold under agreements to repurchase and Securities loaned	\$ 84,782	\$ 74,949

See "Total Assets by Business Segment" herein for additional information on the assets shown in the previous table and Note 2 to the financial statements in the 2024 Form 10-K and Note 8 to the financial statements for additional information on collateralized financing transactions.

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

### Unsecured Financing

For a discussion of our unsecured financing activities, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Funding Management—Unsecured Financing" in the 2024 Form 10-K.

### Deposits

\$ in millions	At	
	March 31, 2025	December 31, 2024
Savings and demand deposits:		
Brokerage sweep deposits <sup>1</sup>	\$ 138,013	\$ 142,550
Savings and other	163,877	157,348
Total Savings and demand deposits	301,890	299,898
Time deposits <sup>2</sup>	79,673	76,109
<b>Total<sup>3</sup></b>	<b>\$ 381,563</b>	<b>\$ 376,007</b>

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

Deposits are primarily sourced from our Wealth Management clients and are considered to have stable, low-cost funding characteristics relative to other sources of funding. Each category of deposits presented above has a different cost profile and clients may respond differently to changes in interest rates and other macroeconomic conditions. Total deposits in the current quarter increased primarily due to increases in Savings and Time Deposits, partially offset by a reduction in Brokerage sweep deposits, largely due to net outflows to alternative cash equivalent and other investment products.

### Borrowings by Maturity at March 31, 2025<sup>1</sup>

\$ in millions	Parent Company		Subsidiaries		Total
Original maturities of one year or less	\$ —	\$ 8,393	\$ 8,393		\$ 8,393
Original maturities greater than one year					
2025	\$ 5,874	\$ 10,644	\$ 16,518		
2026	22,605	13,799	36,404		
2027	21,175	13,500	34,675		
2028	14,025	16,682	30,707		
2029	16,636	13,466	30,102		
Thereafter	106,898	41,693	148,591		
Total greater than one year	\$ 187,213	\$ 109,784	\$ 296,997		
<b>Total</b>	<b>\$ 187,213</b>	<b>\$ 118,177</b>	<b>\$ 305,390</b>		
Maturities over next 12 months <sup>2</sup>			\$ 22,963		

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

Borrowings of \$305 billion as of March 31, 2025 increased compared with \$289 billion at December 31, 2024, primarily due to issuances net of maturities and redemptions.

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

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

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

### Credit Ratings

We rely on external sources to finance a significant portion of our daily operations. Our credit ratings are one of the factors in the cost and availability of financing and can have an impact on certain trading revenues, particularly in those businesses where longer-term counterparty performance is a key consideration, such as certain OTC derivative transactions. When determining credit ratings, rating agencies consider both company-specific and industry-wide factors. See also "Risk Factors—Liquidity Risk" in the 2024 Form 10-K.

**Parent Company and U.S. Bank Subsidiaries Issuer Ratings at April 30, 2025**

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

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

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

**Incremental Collateral or Terminating Payments**

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

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

**Capital Management**

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

**Common Stock Repurchases**

	Three Months Ended March 31,	
	2025	2024
<i>in millions, except for per share data</i>		
Number of shares	8	12
Average price per share	\$ 125.88	\$ 86.79
Total	\$ 1,000	\$ 1,000

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

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

**Common Stock Dividend Announcement**

Announcement date	April 11, 2025
Amount per share	\$0.925
Date to be paid	May 15, 2025
Shareholders of record as of	April 30, 2025

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

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

**Off-Balance Sheet Arrangements**

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

We utilize SPEs primarily in connection with securitization activities. For information on our securitization activities, see Note 15 to the financial statements in the 2024 Form 10-K.

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

**Regulatory Requirements**
**Regulatory Capital Framework**

We are a financial holding company ("FHC") under the Bank Holding Company Act of 1956, as amended ("BHC Act") and are subject to the regulation and oversight of the Board of Governors of the Federal Reserve System ("Federal Reserve"). The Federal Reserve establishes capital requirements for us, including "well-capitalized" standards, and evaluates our compliance with such capital requirements. The OCC establishes similar capital requirements and

standards for our U.S. Bank Subsidiaries. The regulatory capital requirements are largely based on the Basel III capital standards established by the Basel Committee and also implement certain provisions of the Dodd-Frank Act. For us to remain an FHC, we must remain well-capitalized in accordance with standards established by the Federal Reserve, and our U.S. Bank Subsidiaries must remain well-capitalized in accordance with standards established by the OCC. In addition, many of our regulated subsidiaries are subject to regulatory capital requirements, including regulated subsidiaries registered as swap dealers with the CFTC or conditionally registered as security-based swap dealers with the SEC or registered as broker-dealers or futures commission merchants. For additional information on regulatory capital requirements for our U.S. Bank Subsidiaries, as well as our subsidiaries that are swap entities, see Note 15 to the financial statements.

### Regulatory Capital Requirements

We are required to maintain minimum risk-based and leverage-based capital and TLAC ratios. For more information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Regulatory Capital Requirements" in the 2024 Form 10-K. For additional information on TLAC, see "Total Loss-Absorbing Capacity, Long-Term Debt and Clean Holding Company Requirements" herein.

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

#### Risk-Based Regulatory Capital Ratio Requirements

	At March 31, 2025 and December 31, 2024	
	Standardized	Advanced
<b>Capital buffers</b>		
Capital conservation buffer	—	2.5%
SCB <sup>1</sup>	6.0%	N/A
G-SIB capital surcharge <sup>2</sup>	3.0%	3.0%
CCyB <sup>3</sup>	0%	0%
Capital buffer requirement	9.0%	5.5%

1. For additional information on the SCB, see "Capital Plans, Stress Tests and the Stress Capital Buffer" herein and in the 2024 Form 10-K.

2. For a further discussion of the G-SIB capital surcharge, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Regulatory Requirements—G-SIB Capital Surcharge" in the 2024 Form 10-K.

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

The capital buffer requirement represents the amount of CET1 capital we must maintain above the minimum risk-based capital requirements in order to avoid restrictions on our ability to make capital distributions, including the payment of dividends and the repurchase of stock, and to pay

discretionary bonuses to executive officers. Our capital buffer requirement computed under the standardized approaches for calculating credit risk and market RWAs ("Standardized Approach") is equal to the sum of our SCB, G-SIB capital surcharge and CCyB, and our capital buffer requirement computed under the applicable advanced approaches for calculating credit risk, market risk and operational risk RWAs ("Advanced Approach") is equal to our 2.5% capital conservation buffer, G-SIB capital surcharge and CCyB.

	Regulatory Minimum	At March 31, 2025 and December 31, 2024	
		Standardized	Advanced
<b>Required ratios<sup>1</sup></b>			
CET1 capital ratio	4.5 %	13.5%	10.0%
Tier 1 capital ratio	6.0 %	15.0%	11.5%
Total capital ratio	8.0 %	17.0%	13.5%

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

Our risk-based capital ratios are computed under each of (i) the Standardized Approach and (ii) the Advanced Approach. The credit risk RWA calculations between the two approaches differ in that the Standardized Approach requires calculation of RWA using prescribed risk weights and exposure methodologies, whereas the Advanced Approach utilizes models to calculate exposure amounts and risk weights. At March 31, 2025 and December 31, 2024, the differences between the actual and required ratios were lower under the Standardized Approach.

**Leverage-Based Regulatory Capital.** Leverage-based capital requirements include a minimum Tier 1 leverage ratio of 4%, a minimum SLR of 3% and an enhanced SLR capital buffer of at least 2%.

**CECL Deferral.** Beginning on January 1, 2020, we elected to defer the effect of the adoption of CECL on our risk-based and leverage-based capital amounts and ratios, as well as our RWA, adjusted average assets and supplementary leverage exposure calculations, over a five-year transition period. The deferral impacts began to phase in at 25% per year from January 1, 2022, were phased-in at 75% from January 1, 2024 and were fully phased-in from January 1, 2025.



**Regulatory Capital Ratios**
**Risk-based capital**

	Standardized		Advanced	
	At March 31, 2025	At Dec 31, 2024	At March 31, 2025	At Dec 31, 2024
<i>\$ in millions</i>				
<b>Risk-based capital</b>				
CET1 capital	\$ 76,975	\$ 75,095	\$ 76,975	\$ 75,095
Tier 1 capital	86,674	84,790	86,674	84,790
Total capital	97,772	95,567	97,020	94,846
Total RWA	502,622	471,834	489,316	477,331
<b>Risk-based capital ratios</b>				
CET1 capital	15.3 %	15.9 %	15.7 %	15.7 %
Tier 1 capital	17.2 %	18.0 %	17.7 %	17.8 %
Total capital	19.5 %	20.3 %	19.8 %	19.9 %
<b>Required ratios<sup>1</sup></b>				
CET1 capital	13.5 %	13.5 %	10.0 %	10.0 %
Tier 1 capital	15.0 %	15.0 %	11.5 %	11.5 %
Total capital	17.0 %	17.0 %	13.5 %	13.5 %

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

**Leveraged-based capital**

	At March 31, 2025	At December 31, 2024
<i>\$ in millions</i>		
<b>Leveraged-based capital</b>		
Adjusted average assets <sup>1</sup>	\$ 1,251,047	\$ 1,223,779
Supplementary leverage exposure <sup>2</sup>	1,552,615	1,517,687
<b>Leveraged-based capital ratios</b>		
Tier 1 leverage	6.9 %	6.9 %
SLR	5.6 %	5.6 %
<b>Required ratios<sup>3</sup></b>		
Tier 1 leverage	4.0 %	4.0 %
SLR	5.0 %	5.0 %

1. Adjusted average assets represents the denominator of the Tier 1 leverage ratio and is composed of the average daily balance of consolidated on-balance sheet assets for the quarters ending on the respective balance sheet dates, reduced by disallowed goodwill, intangible assets, investments in covered funds, defined benefit pension plan assets, after-tax gain on sale from assets sold into securitizations, investments in our own capital instruments, certain deferred tax assets and other capital deductions.

2. Supplementary leverage exposure is the sum of Adjusted average assets used in the Tier 1 leverage ratio and other adjustments, primarily: (i) for derivatives, potential future exposure and the effective notional principal amount of sold credit protection offset by qualifying purchased credit protection; (ii) the counterparty credit risk for repo-style transactions; and (iii) the credit equivalent amount for off-balance sheet exposures.

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

**Regulatory Capital**

	At March 31, 2025	At December 31, 2024	Change
<i>\$ in millions</i>			
<b>CET1 capital</b>			
Common shareholders' equity	\$ 97,062	\$ 94,761	\$ 2,301
Regulatory adjustments and deductions:			
Net goodwill	(16,371)	(16,354)	(17)
Net intangible assets	(4,888)	(5,003)	115
Impact of CECL transition	—	62	(62)
Other adjustments and deductions <sup>1</sup>	1,172	1,629	(457)
<b>Total CET1 capital</b>	<b>\$ 76,975</b>	<b>\$ 75,095</b>	<b>\$ 1,880</b>
<b>Additional Tier 1 capital</b>			
Preferred stock	\$ 9,750	\$ 9,750	—
Noncontrolling interests	881	807	74
Additional Tier 1 capital	\$ 10,631	\$ 10,557	74
Deduction for investments in covered funds	(932)	(862)	(70)
<b>Total Tier 1 capital</b>	<b>\$ 86,674</b>	<b>\$ 84,790</b>	<b>\$ 1,884</b>
<b>Standardized Tier 2 capital</b>			
Subordinated debt	\$ 9,051	\$ 8,851	200
Eligible ACL	2,299	2,065	234
Other adjustments and deductions	(252)	(139)	(113)
<b>Total Standardized Tier 2 capital</b>	<b>\$ 11,098</b>	<b>\$ 10,777</b>	<b>\$ 321</b>
<b>Total Standardized capital</b>	<b>\$ 97,772</b>	<b>\$ 95,567</b>	<b>\$ 2,205</b>
<b>Advanced Tier 2 capital</b>			
Subordinated debt	\$ 9,051	\$ 8,851	200
Eligible credit reserves	1,547	1,344	203
Other adjustments and deductions	(252)	(139)	(113)
<b>Total Advanced Tier 2 capital</b>	<b>\$ 10,346</b>	<b>\$ 10,056</b>	<b>\$ 290</b>
<b>Total Advanced capital</b>	<b>\$ 97,020</b>	<b>\$ 94,846</b>	<b>\$ 2,174</b>

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

**RWA Rollforward**

\$ in millions	Three Months Ended March 31, 2025	
	Standardized	Advanced
<b>Credit risk RWA</b>		
Balance at December 31, 2024	\$ 417,982	\$ 316,429
Change related to the following items:		
Derivatives	8,764	5,652
Securities financing transactions	9,844	1,763
Investment securities	(949)	49
Commitments, guarantees and loans	1,513	(4,314)
Equity investments	302	306
Other credit risk	6,167	5,143
Total change in credit risk RWA	\$ 25,641	\$ 8,599
<b>Balance at March 31, 2025</b>	<b>\$ 443,623</b>	<b>\$ 325,028</b>
<b>Market risk RWA</b>		
Balance at December 31, 2024	\$ 53,852	\$ 54,322
Change related to the following items:		
Regulatory VaR	1,037	1,037
Regulatory stressed VaR	1,370	1,370
Incremental risk charge	(1,983)	(1,983)
Comprehensive risk measure	(233)	(437)
Specific risk	4,956	4,956
Total change in market risk RWA	\$ 5,147	\$ 4,943
<b>Balance at March 31, 2025</b>	<b>\$ 58,999</b>	<b>\$ 59,265</b>
<b>Operational risk RWA</b>		
Balance at December 31, 2024	N/A	106,580
Change in operational risk RWA	N/A	(1,557)
<b>Balance at March 31, 2025</b>	<b>N/A</b>	<b>105,023</b>
<b>Total RWA</b>	<b>\$ 502,622</b>	<b>\$ 489,316</b>

Regulatory VaR—VaR for regulatory capital requirements

In the current quarter, Credit risk RWA increased under both the Standardized and Advanced Approaches. Under the Standardized Approach, the increase was primarily due to higher Securities financing transactions, Derivatives exposures, Other credit risk driven by higher deferred tax assets and securitizations, and growth in lending. Under the Advanced Approach, the increase was primarily due to higher Derivatives exposures, Securities financing transactions and Other credit risk driven by higher deferred tax assets and securitizations, partially offset by decreased Corporate lending commitments.

Market risk RWA increased in the current quarter under both the Standardized and Advanced Approaches, primarily driven by higher charges on Specific risk, and higher Regulatory Stressed VaR and Regulatory VaR, partially offset by decreased charges on incremental risk.

The decrease in Operational risk RWA in the current quarter is related to lower execution-related losses.

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

The Federal Reserve has established external TLAC, long-term debt ("LTD") and clean holding company requirements for top-tier BHCs of U.S. G-SIBs ("covered BHCs"), including the Parent Company. These requirements are designed to ensure that covered BHCs will have enough loss-

absorbing resources at the point of failure to be recapitalized through the conversion of eligible LTD to equity or otherwise by imposing losses on eligible LTD or other forms of TLAC where an SPOE resolution strategy is used.

**Required and Actual TLAC and Eligible LTD Ratios**

\$ in millions	Regulatory Minimum	Required Ratio <sup>1</sup>	Actual Amount/Ratio	
			At March 31, 2025	At December 31, 2024
External TLAC <sup>2</sup>			\$ 268,879	\$ 266,146
External TLAC as a % of RWA	18.0 %	21.5 %	53.5 %	55.8 %
External TLAC as a % of leverage exposure	7.5 %	9.5 %	17.3 %	17.5 %
Eligible LTD <sup>3</sup>			\$ 169,619	\$ 169,690
Eligible LTD as a % of RWA	9.0 %	9.0 %	33.7 %	35.5 %
Eligible LTD as a % of leverage exposure	4.5 %	4.5 %	10.9 %	11.2 %

1. Required ratios are inclusive of applicable buffers.
2. External TLAC consists of CET1 capital and Additional Tier 1 capital (each excluding any noncontrolling minority interests), as well as eligible LTD.
3. Consists of TLAC-eligible LTD reduced by 50% for amounts of unpaid principal due to be paid in more than one year but less than two years from each respective balance sheet date.

We are in compliance with all TLAC requirements as of March 31, 2025 and December 31, 2024.

For a further discussion of TLAC and related requirements, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Regulatory Requirements—Total Loss-Absorbing Capacity, Long-Term Debt and Clean Holding Company Requirements" in the 2024 Form 10-K.

**Capital Plans, Stress Tests and the Stress Capital Buffer**

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

We must submit, on at least an annual basis, a capital plan to the Federal Reserve, taking into account the results of separate annual stress tests designed by us and the Federal Reserve, so that the Federal Reserve may assess our systems and processes that incorporate forward-looking projections of revenues and losses to monitor and maintain our internal capital adequacy. As banks with less than \$250 billion of total assets, our U.S. Bank Subsidiaries are not subject to company-run stress test regulatory requirements.

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

Our SCB will remain at 6.0% through September 30, 2025. Together with other features of the regulatory capital framework, this SCB resulted in an aggregate Standardized Approach Common Equity Tier 1 required ratio of 13.5%.

For the 2025 capital planning and stress test cycle, we submitted our capital plan and company-run stress test results



to the Federal Reserve on April 7, 2025. The Federal Reserve is expected to publish summary results of the CCAR and Dodd-Frank Act supervisory stress tests of each large BHC, including us, by June 30, 2025. We are required to disclose a summary of the results of our company-run stress tests within 15 days of the date the Federal Reserve discloses the results of the supervisory stress tests.

For additional information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Regulatory Requirements—Capital Plans, Stress Tests and the Stress Capital Buffer" in the 2024 Form 10-K.

#### **Attribution of Average Common Equity According to the Required Capital Framework**

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

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

#### **Average Common Equity Attribution under the Required Capital Framework<sup>1</sup>**

\$ in billions	Three Months Ended March 31,	
	2025	2024
Institutional Securities	\$ 48.4	\$ 45.0
Wealth Management	29.4	29.1
Investment Management	10.6	10.8
Parent Company	7.1	5.0
<b>Total</b>	<b>\$ 95.5</b>	<b>\$ 89.9</b>

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

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

#### **Resolution and Recovery Planning**

We are required to submit once every two years to the Federal Reserve and the FDIC ("Agencies") a resolution plan that describes our strategy for a rapid and orderly resolution under the U.S. Bankruptcy Code in the event of our material financial distress or failure. Our next resolution plan submission is due in July 2025.

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

For more information about resolution and recovery planning requirements and our activities in these areas, including the implications of such activities in a resolution scenario, see "Business—Supervision and Regulation—Financial Holding Company—Resolution and Recovery Planning," "Risk Factors—Legal, Regulatory and Compliance Risk" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Regulatory Requirements—Resolution and Recovery Planning" in the 2024 Form 10-K.

#### **Regulatory Developments and Other Matters**

##### **Proposed Changes to Capital Requirements**

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

## Quantitative and Qualitative Disclosures about Risk

Management believes effective risk management is vital to the success of our business activities. For a discussion of our Enterprise Risk Management framework and risk management functions, see “Quantitative and Qualitative Disclosures about Risk—Risk Management” in the 2024 Form 10-K.

### Market Risk

Market risk refers to the risk that a change in the level of one or more market prices, rates, spreads, indices, volatilities, correlations or other market factors, such as market liquidity, will result in losses for a position or portfolio. Generally, we incur market risk as a result of trading, investing and client facilitation activities, principally within the Institutional Securities business segment where the substantial majority of our VaR for market risk exposures is generated. In addition, we incur non-trading market risk, principally within the Wealth Management and Investment Management business segments. The Wealth Management business segment primarily incurs non-trading market risk (including interest rate risk) from lending and deposit-taking activities. The Investment Management business segment primarily incurs non-trading market risk from capital investments in its funds. For a further discussion of market risk, see “Quantitative and Qualitative Disclosures about Risk—Market Risk” in the 2024 Form 10-K.

### Trading Risks

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

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

For information regarding our primary risk exposures and market risk management, VaR methodology, assumptions and limitations, see “Quantitative and Qualitative Disclosures about Risk—Market Risk—Trading Risks” in the 2024 Form 10-K.

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

\$ in millions	Three Months Ended March 31, 2025			
	Period End	Average	High <sup>1</sup>	Low <sup>1</sup>
Interest rate and credit spread	\$ 25	\$ 30	\$ 39	\$ 22
Equity price	23	23	26	19
Foreign exchange rate	9	11	15	7
Commodity price	22	17	27	12
Less: Diversification benefit <sup>2</sup>	(40)	(35)	N/A	N/A
Primary Risk Categories	\$ 39	\$ 46	\$ 54	\$ 39
Credit Portfolio	18	19	23	18
Less: Diversification benefit <sup>2</sup>	(11)	(15)	N/A	N/A
Total Management VaR	\$ 46	\$ 50	\$ 60	\$ 43

\$ in millions	Three Months Ended December 31, 2024			
	Period End	Average	High <sup>1</sup>	Low <sup>1</sup>
Interest rate and credit spread	\$ 23	\$ 28	\$ 43	\$ 19
Equity price	21	24	39	18
Foreign exchange rate	10	9	13	6
Commodity price	18	15	20	11
Less: Diversification benefit <sup>2</sup>	(37)	(36)	N/A	N/A
Primary Risk Categories	\$ 35	\$ 40	\$ 59	\$ 32
Credit Portfolio	20	21	23	20
Less: Diversification benefit <sup>2</sup>	(16)	(15)	N/A	N/A
Total Management VaR	\$ 39	\$ 46	\$ 64	\$ 39

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

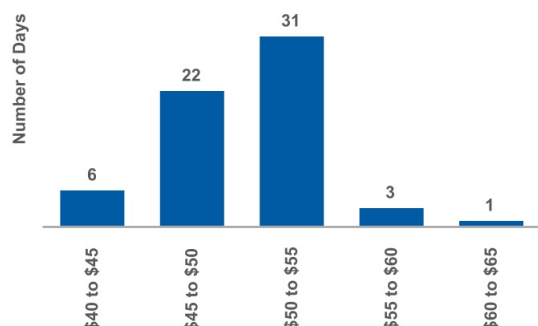
Average Total Management VaR and average Management VaR for the Primary Risk Categories increased from the three months ended December 31, 2024, primarily driven by increased exposure in credit spread risk category and higher market volatility.

### Distribution of VaR Statistics and Net Revenues

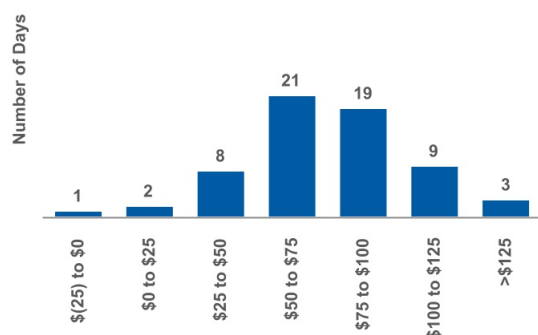
We evaluate the reasonableness of our VaR model by comparing the potential declines in portfolio values generated by the model with corresponding actual trading results for the Firm, as well as individual business units. For days where losses exceed the VaR statistic, we examine the drivers of trading losses to evaluate the VaR model's accuracy. There was one trading loss day in the current quarter, which did not exceed 95% Total Management VaR.

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

(\$ in millions)


**Daily Net Trading Revenues for the Current Quarter**

(\$ in millions)



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

**Non-Trading Risks**

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

**Credit Spread Risk Sensitivity<sup>1</sup>**

<i>\$ in millions</i>	At March 31, 2025	At December 31, 2024
Derivatives	\$ 6	\$ 6
Borrowings carried at fair value	52	49

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

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

**Wealth Management Net Interest Income Sensitivity Analysis**

<i>\$ in millions</i>	At March 31, 2025	At December 31, 2024
<b>Basis point change</b>		
+200	\$ 563	\$ 699
+100	285	350
-100	(313)	(371)
-200	(697)	(803)

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

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

Our Wealth Management business segment balance sheet is asset sensitive, given assets reprice faster than liabilities,

resulting in higher net interest income in higher interest rate scenarios and lower net interest income in lower interest rate scenarios. The level of interest rates may impact the amount of deposits held at the Firm, given competition for deposits from other institutions and alternative cash-equivalent products available to depositors. Further, the level of interest rates could also impact client demand for loans.

Net interest income sensitivity to interest rates at March 31, 2025 decreased from December 31, 2024, primarily driven by the effects of changes in the mix of our assets and liabilities and changes in market rates.

**Investments Sensitivity, Including Related Carried Interest**

	Loss from 10% Decline	
	At March 31, 2025	At December 31, 2024
<i>\$ in millions</i>		
Investments related to Investment Management activities	\$ 537	\$ 571
Other investments:		
MUMSS	132	122
Other Firm investments	475	463

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

**Asset Management Revenue Sensitivity**

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

**Credit Risk**

Credit risk refers to the risk of loss arising when a borrower, counterparty or issuer does not meet its financial obligations to us. We are primarily exposed to credit risk from institutions and individuals through our Institutional Securities and Wealth Management business segments. For a further discussion of our credit risks, see "Quantitative and Qualitative Disclosures about Risk—Credit Risk" in the 2024 Form 10-K.

**Loans and Lending Commitments**

<i>\$ in millions</i>	At March 31, 2025			
	HFI	HFS	FVO <sup>1</sup>	Total
Institutional Securities:				
Corporate	\$ 7,733	\$ 11,994	\$ —	\$ 19,727
Secured lending facilities	51,329	3,680	—	55,009
Commercial and Residential real estate	8,610	290	3,344	12,244
Securities-based lending and Other	3,372	147	6,471	9,990
<b>Total Institutional Securities</b>	<b>71,044</b>	<b>16,111</b>	<b>9,815</b>	<b>96,970</b>
Wealth Management:				
Residential real estate	67,579	—	—	67,579
Securities-based lending and Other	95,298	—	—	95,298
<b>Total Wealth Management</b>	<b>162,877</b>	<b>—</b>	<b>—</b>	<b>162,877</b>
<b>Total Investment Management<sup>2</sup></b>	<b>4</b>	<b>—</b>	<b>251</b>	<b>255</b>
<b>Total loans</b>	<b>233,925</b>	<b>16,111</b>	<b>10,066</b>	<b>260,102</b>
<b>ACL</b>	<b>(1,133)</b>	<b>—</b>	<b>—</b>	<b>(1,133)</b>
<b>Total loans, net of ACL</b>	<b>\$ 232,792</b>	<b>\$ 16,111</b>	<b>\$ 10,066</b>	<b>\$ 258,969</b>
<b>Lending commitments<sup>3</sup></b>	<b>\$ 151,574</b>	<b>\$ 27,924</b>	<b>\$ 562</b>	<b>\$ 180,060</b>
<b>Total exposure</b>	<b>\$ 384,366</b>	<b>\$ 44,035</b>	<b>\$ 10,628</b>	<b>\$ 439,029</b>

<i>\$ in millions</i>	At December 31, 2024			
	HFI	HFS	FVO <sup>1</sup>	Total
Institutional Securities:				
Corporate	\$ 6,889	\$ 9,183	\$ —	\$ 16,072
Secured lending facilities	48,842	2,507	—	51,349
Commercial and Residential real estate	8,412	628	2,420	11,460
Securities-based lending and Other	2,876	—	6,041	8,917
<b>Total Institutional Securities</b>	<b>67,019</b>	<b>12,318</b>	<b>8,461</b>	<b>87,798</b>
Wealth Management:				
Residential real estate	66,738	—	—	66,738
Securities-based lending and Other	93,139	1	—	93,140
<b>Total Wealth Management</b>	<b>159,877</b>	<b>1</b>	<b>—</b>	<b>159,878</b>
<b>Total Investment Management<sup>2</sup></b>	<b>4</b>	<b>—</b>	<b>200</b>	<b>204</b>
<b>Total loans</b>	<b>226,900</b>	<b>12,319</b>	<b>8,661</b>	<b>247,880</b>
<b>ACL</b>	<b>(1,066)</b>	<b>—</b>	<b>—</b>	<b>(1,066)</b>
<b>Total loans, net of ACL</b>	<b>\$ 225,834</b>	<b>\$ 12,319</b>	<b>\$ 8,661</b>	<b>\$ 246,814</b>
<b>Lending commitments<sup>3</sup></b>	<b>\$ 148,818</b>	<b>\$ 26,955</b>	<b>\$ 758</b>	<b>\$ 176,531</b>
<b>Total exposure</b>	<b>\$ 374,652</b>	<b>\$ 39,274</b>	<b>\$ 9,419</b>	<b>\$ 423,345</b>

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

1. FVO includes the fair value of certain unfunded lending commitments.

2. Investment Management business segment loans are related to certain of our activities as an investment adviser and manager. Loans held at fair value are the result of the consolidation of investment vehicles (including CLOs) managed by Investment Management, composed primarily of senior secured loans to corporations.

3. Lending commitments represent the notional amount of legally binding obligations to provide funding to clients for lending transactions. Since commitments associated with these business activities may expire unused or may not be utilized to full capacity, they do not necessarily reflect the actual future cash funding requirements.

We provide loans and lending commitments to a variety of customers, including large corporate and institutional clients, as well as high to ultra-high net worth individuals. In addition, we purchase loans in the secondary market. Loans and lending commitments are either held for investment, held for sale or carried at fair value. For more information on these loan classifications, see Note 2 to the financial statements in the 2024 Form 10-K.

Total loans and lending commitments increased by approximately \$16 billion since December 31, 2024, primarily due to an increase in Secured lending facilities and Corporate lending within the Institutional Securities business segment and growth in Securities-based loans within the Wealth Management business segment.

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

**Allowance for Credit Losses—Loans and Lending Commitments**

\$ in millions		Three Months Ended March 31, 2025	
<b>ACL—Loans</b>			
Beginning balance	\$		1,066
Gross charge-offs			(31)
Recoveries			8
Net (charge-offs)/recoveries			(23)
Provision for credit losses			81
Other			9
<b>Ending balance</b>	<b>\$</b>		<b>1,133</b>
<b>ACL—Lending commitments</b>			
Beginning balance	\$		656
Provision for credit losses			54
Other			8
<b>Ending balance</b>	<b>\$</b>		<b>718</b>
<b>Total ending balance</b>	<b>\$</b>		<b>1,851</b>

**Provision for Credit Losses by Business Segment**

\$ in millions		Three Months Ended March 31, 2025		
		IS	WM	Total
Loans	\$	37	\$ 44	\$ 81
Lending commitments		54	—	54
<b>Total</b>	<b>\$</b>	<b>91</b>	<b>\$ 44</b>	<b>\$ 135</b>

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

The allowance for credit losses for loans and lending commitments increased since December 31, 2024, primarily related to portfolio growth in secured lending facilities and corporate loans, provisions for certain specific loans, including residential real estate loans related to the California wildfires, and deterioration in the macroeconomic outlook. Charge-offs in the current quarter were primarily related to commercial real estate loans.

The base scenario used in our ACL models as of March 31, 2025 was generated using a combination of consensus economic forecasts, forward rates, and internally developed and validated models. This scenario assumes slower economic growth as well as higher interest rates relative to the prior quarter forecast. The revised real GDP growth rates assumed in our ACL models incorporated the weaker economic outlook and conditions as of March 31, 2025. The ACL calculation incorporates key macroeconomic variables, including U.S. real GDP growth rate. The significance of key macroeconomic variables on the ACL calculation varies depending on portfolio composition and economic conditions.

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

	4Q 2025	4Q 2026
Year-over-year growth rate	1.5 %	1.9 %

Other key macroeconomic variables used in the ACL calculation include corporate credit spreads, interest rates and commercial real estate indices. See Note 2 to the financial statements in the 2024 Form 10-K for a discussion of the Firm's ACL methodology under CECL.

Recent developments around global trade policies have the potential to adversely impact our credit portfolios. The magnitude of such impacts, as well as the implications for global growth, will depend on specific details of how global trade policies evolve and also how effectively our clients adapt. While we are carefully monitoring all of our exposures, certain types of borrowers and counterparties are more vulnerable to trade policy effects. There remains significant uncertainty as to how trade policies will evolve; therefore, the borrowers and counterparties impacted may change over time.

**Status of Loans Held for Investment**

	At March 31, 2025		At December 31, 2024	
	IS	WM	IS	WM
Accrual	99.1 %	99.7 %	99.2 %	99.7 %
Nonaccrual <sup>1</sup>	0.9 %	0.3 %	0.8 %	0.3 %

1. Nonaccrual loans are loans where principal or interest is not expected when contractually due or are past due 90 days or more.

## Risk Disclosures

### Net Charge-off Ratios for Loans Held for Investment

<i>\$ in millions</i>	Corporate	Secured Lending Facilities	CRE	Residential Real Estate	SBL and Other	Total
<b>For the Three Months Ended March 31, 2025</b>						
Net charge-off/(recovery) ratio <sup>1</sup>	— %	— %	0.27 %	— %	— %	0.01 %
Average loans	\$ 7,210	\$ 50,310	\$ 8,493	\$ 51,572	\$ 97,249	\$ 214,834

CRE—Commercial real estate

SBL—Securities-based lending

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

There were no material charge-offs during the three months ended March 31, 2024.

### Institutional Securities Loans and Lending Commitments<sup>1</sup>

	At March 31, 2025					
	Contractual Years to Maturity					
<i>\$ in millions</i>	<1	1-5	5-15	>15		Total
<b>Loans</b>						
AA	\$ 1,452	\$ —	\$ 8	\$ —		1,460
A	883	763	164	—		1,810
BBB	5,282	14,272	111	157		19,822
BB	10,144	29,329	2,466	498		42,437
Other NIG	7,954	11,369	5,508	149		24,980
Unrated <sup>2</sup>	324	1,334	1,117	2,933		5,708
<b>Total loans, net of ACL</b>	<b>26,039</b>	<b>57,067</b>	<b>9,374</b>	<b>3,737</b>		<b>96,217</b>
<b>Lending commitments</b>						
AAA	—	75	—	—		75
AA	2,345	3,051	855	—		6,251
A	5,233	21,385	2,036	—		28,654
BBB	10,100	57,465	948	158		68,671
BB	1,754	25,493	7,026	902		35,175
Other NIG	1,828	17,699	2,223	2		21,752
Unrated <sup>2</sup>	81	27	4	—		112
<b>Total lending commitments</b>	<b>21,341</b>	<b>125,195</b>	<b>13,092</b>	<b>1,062</b>		<b>160,690</b>
<b>Total exposure</b>	<b>\$ 47,380</b>	<b>\$ 182,262</b>	<b>\$ 22,466</b>	<b>\$ 4,799</b>	<b>\$</b>	<b>256,907</b>

	At December 31, 2024					
	Contractual Years to Maturity					
<i>\$ in millions</i>	<1	1-5	5-15	>15		Total
<b>Loans</b>						
AA	\$ 3	\$ 575	\$ 187	\$ —	\$	765
A	894	588	164	—		1,646
BBB	5,165	13,185	91	124		18,565
BB	11,235	24,467	2,592	358		38,652
Other NIG	8,520	12,776	1,673	145		23,114
Unrated <sup>2</sup>	227	1,176	420	2,503		4,326
<b>Total loans, net of ACL</b>	26,044	52,767	5,127	3,130		87,068
<b>Lending commitments</b>						
AAA	—	75	—	—		75
AA	2,560	4,285	88	—		6,933
A	8,226	21,372	1,091	—		30,689
BBB	10,135	54,752	1,507	146		66,540
BB	3,174	23,239	3,062	941		30,416
Other NIG	1,074	17,436	3,956	2		22,468
Unrated <sup>2</sup>	14	93	33	—		140
<b>Total lending commitments</b>	25,183	121,252	9,737	1,089		157,261
<b>Total exposure</b>	\$ 51,227	\$ 174,019	\$ 14,864	\$ 4,219	\$	244,329

NIG—Non-investment grade

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

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

### Institutional Securities Loans and Lending Commitments by Industry

<i>\$ in millions</i>	At March 31, 2025	At December 31, 2024
<b>Industry</b>		
Financials	\$ 76,168	\$ 68,512
Real estate	41,535	40,041
Industrials	22,748	20,024
Information technology	18,652	15,666
Communications services	18,532	20,425
Consumer discretionary	15,406	14,699
Healthcare	14,827	15,455
Utilities	12,071	11,755
Consumer staples	10,617	12,098
Energy	8,593	9,036
Materials	7,144	7,378
Insurance	6,848	6,812
Other	3,766	2,428
<b>Total exposure</b>	<b>\$ 256,907</b>	<b>\$ 244,329</b>

### Institutional Securities Lending Activities

The Institutional Securities business segment lending activities include Corporate, Secured lending facilities, Commercial and Residential real estate, and Securities-based lending and Other. As of March 31, 2025 and December 31, 2024, over 90% of our Institutional Securities total exposure, which consisted of loans and lending commitments, was investment grade and/or secured by collateral. For a description of Institutional Securities’ lending activities, see “Quantitative and Qualitative Disclosures about Risk—Credit Risk” in the 2024 Form 10-K.

**Institutional Securities Event-Driven Loans and Lending Commitments**

At March 31, 2025				
\$ in millions	Contractual Years to Maturity			Total
	<1	1-5	5-15	
Loans, net of ACL	\$ 2,782	\$ 1,165	\$ 4,743	\$ 8,690
Lending commitments	3,464	2,865	3,208	9,537
<b>Total exposure</b>	<b>\$ 6,246</b>	<b>\$ 4,030</b>	<b>\$ 7,951</b>	<b>\$ 18,227</b>

At December 31, 2024				
\$ in millions	Contractual Years to Maturity			Total
	<1	1-5	5-15	
Loans, net of ACL	\$ 2,253	\$ 2,839	\$ 733	\$ 5,825
Lending commitments	5,153	2,152	2,918	10,223
<b>Total exposure</b>	<b>\$ 7,406</b>	<b>\$ 4,991</b>	<b>\$ 3,651</b>	<b>\$ 16,048</b>

Event-driven loans and lending commitments are associated with certain underwritings and/or syndications to finance a specific transaction, such as merger, acquisition, recapitalization or project finance activities. Balances may fluctuate as such lending is related to transactions that vary in timing and size from period to period.

**Institutional Securities Loans and Lending Commitments Held for Investment**

At March 31, 2025			
\$ in millions	Loans	Lending Commitments	Total
Corporate	\$ 7,733	\$ 107,667	\$ 115,400
Secured lending facilities	51,329	23,001	74,330
Commercial real estate	8,610	303	8,913
Securities-based lending and Other	3,372	1,233	4,605
<b>Total, before ACL</b>	<b>\$ 71,044</b>	<b>\$ 132,204</b>	<b>\$ 203,248</b>
ACL	\$ (753)	\$ (702)	\$ (1,455)

At December 31, 2024			
\$ in millions	Loans	Lending Commitments	Total
Corporate	\$ 6,889	\$ 105,824	\$ 112,713
Secured lending facilities	48,842	20,971	69,813
Commercial real estate	8,412	1,249	9,661
Securities-based lending and Other	2,876	1,504	4,380
<b>Total, before ACL</b>	<b>\$ 67,019</b>	<b>\$ 129,548</b>	<b>\$ 196,567</b>
ACL	\$ (730)	\$ (640)	\$ (1,370)

**Institutional Securities Commercial Real Estate Loans and Lending Commitments**
**By Region**

\$ in millions	At March 31, 2025			At December 31, 2024		
	Loans <sup>1</sup>	LC <sup>1</sup>	Total Exposure	Loans <sup>1</sup>	LC <sup>1</sup>	Total Exposure
Americas	\$ 5,238	\$ 177	\$ 5,415	\$ 5,066	\$ 820	\$ 5,886
EMEA	3,861	204	4,065	3,806	522	4,328
Asia	420	17	437	467	13	480
<b>Total</b>	<b>\$ 9,519</b>	<b>\$ 398</b>	<b>\$ 9,917</b>	<b>\$ 9,339</b>	<b>\$ 1,355</b>	<b>\$ 10,694</b>

**By Property Type**

\$ in millions	At March 31, 2025			At December 31, 2024		
	Loans <sup>1</sup>	LC <sup>1</sup>	Total Exposure	Loans <sup>1</sup>	LC <sup>1</sup>	Total Exposure
Office	\$ 2,941	\$ 108	\$ 3,049	\$ 2,846	\$ 109	\$ 2,955
Industrial	2,709	145	2,854	2,610	125	2,735
Multifamily	1,988	76	2,064	2,042	80	2,122
Retail	1,007	13	1,020	1,105	971	2,076
Hotel	874	56	930	736	70	806
<b>Total</b>	<b>\$ 9,519</b>	<b>\$ 398</b>	<b>\$ 9,917</b>	<b>\$ 9,339</b>	<b>\$ 1,355</b>	<b>\$ 10,694</b>

LC—Lending Commitments

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

The current economic environment and changes in business and consumer behavior have adversely impacted commercial real estate borrowers due to pressure from higher interest rates, tenant lease renewals, and elevated refinancing risks for loans with near-term maturities, among other issues. While we continue to actively monitor all our loan portfolios, the commercial real estate sector remains under heightened focus given the sector's sensitivity to economic and secular factors, credit conditions, and difficulties specific to certain property types, most notably office.

As of March 31, 2025 and December 31, 2024, our lending against commercial real estate ("CRE") properties within the Institutional Securities business segment totaled \$9.9 billion and \$10.7 billion, respectively. This represents 3.9% and 4.4%, respectively, of total exposure reflected in the Institutional Securities Loans and Lending Commitments table above. Those CRE loans are originated for experienced sponsors and are generally secured by specific institutional CRE properties. In many cases, loans are subsequently syndicated or securitized on a full or partial basis, reducing our ongoing exposure.

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



## Risk Disclosures

### Institutional Securities Allowance for Credit Losses—Loans and Lending Commitments

\$ in millions	Three Months Ended March 31, 2025				
	Corporate	Secured Lending Facilities	CRE	SBL and Other	Total
<b>ACL—Loans</b>					
Beginning balance	\$ 200	\$ 140	\$ 373	\$ 17	\$ 730
Gross charge-offs	—	—	(31)	—	(31)
Recoveries	—	—	8	—	8
Net (charge-offs)/ recoveries	—	—	(23)	—	(23)
Provision (release)	2	7	24	4	37
Other	3	2	5	(1)	9
<b>Ending balance</b>	<b>\$ 205</b>	<b>\$ 149</b>	<b>\$ 379</b>	<b>\$ 20</b>	<b>\$ 753</b>
<b>ACL—Lending commitments</b>					
Beginning balance	\$ 507	\$ 88	\$ 40	\$ 5	\$ 640
Provision (release)	37	41	(27)	3	54
Other	5	1	—	2	8
<b>Ending balance</b>	<b>\$ 549</b>	<b>\$ 130</b>	<b>\$ 13</b>	<b>\$ 10</b>	<b>\$ 702</b>
<b>Total ending balance</b>	<b>\$ 754</b>	<b>\$ 279</b>	<b>\$ 392</b>	<b>\$ 30</b>	<b>\$ 1,455</b>

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

	At March 31, 2025	At December 31, 2024
Corporate	2.7 %	2.9 %
Secured lending facilities	0.3 %	0.3 %
Commercial real estate	4.4 %	4.4 %
Securities-based lending and Other	0.6 %	0.6 %
Total Institutional Securities loans	1.1 %	1.1 %

### Wealth Management Loans and Lending Commitments

\$ in millions	At March 31, 2025				
	Contractual Years to Maturity				Total
	<1	1-5	5-15	>15	
Securities-based lending and Other	\$ 83,582	\$ 10,326	\$ 986	\$ 144	\$ 95,038
Residential real estate	1	111	1,084	66,263	67,459
Total loans, net of ACL	\$ 83,583	\$ 10,437	\$ 2,070	\$ 66,407	\$ 162,497
Lending commitments	16,061	2,861	49	399	19,370
<b>Total exposure</b>	<b>\$ 99,644</b>	<b>\$ 13,298</b>	<b>\$ 2,119</b>	<b>\$ 66,806</b>	<b>\$ 181,867</b>

\$ in millions	At December 31, 2024				
	Contractual Years to Maturity				Total
	<1	1-5	5-15	>15	
Securities-based lending and Other	\$ 82,788	\$ 8,944	\$ 1,024	\$ 145	\$ 92,901
Residential real estate	1	111	1,106	65,423	66,641
Total loans, net of ACL	\$ 82,789	\$ 9,055	\$ 2,130	\$ 65,568	\$ 159,542
Lending commitments	16,318	2,523	43	386	19,270
<b>Total exposure</b>	<b>\$ 99,107</b>	<b>\$ 11,578</b>	<b>\$ 2,173</b>	<b>\$ 65,954</b>	<b>\$ 178,812</b>

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

For more information about our Securities-based lending and Residential real estate loans, see “Quantitative and Qualitative Disclosures about Risk—Credit Risk” in the 2024 Form 10-K.

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

\$ in millions	At March 31, 2025			At December 31, 2024		
	Loans <sup>1</sup>	LC <sup>1</sup>	Total exposure	Loans <sup>1</sup>	LC <sup>1</sup>	Total exposure
Retail	\$ 2,304	\$ —	\$ 2,304	\$ 2,293	\$ —	\$ 2,293
Multifamily	1,931	231	2,162	1,928	261	2,189
Office	2,013	1	2,014	1,951	11	1,962
Industrial	466	—	466	456	—	456
Hotel	442	—	442	442	—	442
Other	394	—	394	309	—	309
<b>Total</b>	<b>\$ 7,550</b>	<b>\$ 232</b>	<b>\$ 7,782</b>	<b>\$ 7,379</b>	<b>\$ 272</b>	<b>\$ 7,651</b>

LC—Lending Commitments

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

As of March 31, 2025 and December 31, 2024, our direct lending against CRE properties totaled \$7.8 billion and \$7.7 billion, respectively, within the Wealth Management business segment. This represents 4.3% and 4.3%, respectively, of total exposure reflected in the Wealth Management Loans and Lending Commitments table above, primarily included within Securities-based lending and Other loans. Such loans are originated through our private banking platform, are both secured and generally benefiting from full or partial guarantees from high or ultra-high net worth clients, which partially reduce associated credit risk. At both March 31, 2025 and December 31, 2024, greater than 95% of the CRE loans balance in the Wealth Management business segment received guarantees. All of our lending against CRE properties within Wealth Management are in the Americas region.

### Wealth Management Allowance for Credit Losses—Loans and Lending Commitments

\$ in millions	Three Months Ended March 31, 2025		
	Residential Real Estate	SBL and Other	Total
<b>ACL—Loans</b>			
Beginning balance	\$ 97	\$ 239	\$ 336
Provision (release)	23	21	44
<b>Ending balance</b>	<b>\$ 120</b>	<b>\$ 260</b>	<b>\$ 380</b>
<b>ACL—Lending commitments</b>			
Beginning balance	\$ 4	\$ 12	\$ 16
<b>Ending balance</b>	<b>\$ 4</b>	<b>\$ 12</b>	<b>\$ 16</b>
<b>Total ending balance</b>	<b>\$ 124</b>	<b>\$ 272</b>	<b>\$ 396</b>

As of March 31, 2025 and December 31, 2024, more than 75% of Wealth Management residential real estate loans were to borrowers with “Exceptional” or “Very Good” FICO scores (*i.e.*, exceeding 740). Additionally, Wealth Management’s securities-based lending portfolio remains well-collateralized and subject to daily client margining, which includes requiring customers to deposit additional collateral or reduce debt positions, when necessary.



**Customer and Other Receivables**
**Margin Loans and Other Lending**

<i>\$ in millions</i>	At March 31, 2025	At December 31, 2024
Institutional Securities	\$ 28,564	\$ 27,612
Wealth Management	28,284	28,270
<b>Total</b>	<b>\$ 56,848</b>	<b>\$ 55,882</b>

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

Credit exposures arising from margin lending activities are generally mitigated by their short-term nature, the value of collateral held and our right to call for additional margin when collateral values decline. However, we could incur losses in the event that the customer fails to meet margin calls and collateral values decline below the loan amount. This risk is elevated in loans backed by collateral pools with significant concentrations in individual issuers or securities with similar risk characteristics. For a further discussion, see “Risk Factors—Credit Risk” in the 2024 Form 10-K.

**Employee Loans**

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

**Derivatives**
**Fair Value of OTC Derivative Assets**

	At March 31, 2025					
	Counterparty Credit Rating <sup>1</sup>					
<i>\$ in millions</i>	AAA	AA	A	BBB	NIG	Total
Less than 1 year	\$ 1,319	\$ 13,363	\$ 33,083	\$ 17,284	\$ 9,978	\$ 75,027
1-3 years	354	5,091	15,176	9,060	6,256	35,937
3-5 years	963	6,676	9,215	5,777	3,755	26,386
Over 5 years	3,254	24,739	48,670	26,922	6,604	110,189
Total, gross	\$ 5,890	\$ 49,869	\$ 106,144	\$ 59,043	\$ 26,593	\$ 247,539
Counterparty netting	(2,976)	(38,471)	(77,888)	(41,466)	(14,907)	(175,708)
Cash and securities collateral	(2,335)	(9,703)	(24,219)	(12,667)	(5,592)	(54,516)
<b>Total, net</b>	<b>\$ 579</b>	<b>\$ 1,695</b>	<b>\$ 4,037</b>	<b>\$ 4,910</b>	<b>\$ 6,094</b>	<b>\$ 17,315</b>

	At December 31, 2024					
	Counterparty Credit Rating <sup>1</sup>					
<i>\$ in millions</i>	AAA	AA	A	BBB	NIG	Total
Less than 1 year	\$ 1,711	\$ 17,625	\$ 50,643	\$ 22,643	\$ 9,793	\$ 102,415
1-3 years	541	6,249	19,068	10,248	6,095	42,201
3-5 years	973	7,308	9,821	5,631	3,750	27,483
Over 5 years	3,330	25,406	49,469	28,206	6,398	112,809
Total, gross	\$ 6,555	\$ 56,588	\$ 129,001	\$ 66,728	\$ 26,036	\$ 284,908
Counterparty netting	(3,320)	(44,604)	(98,598)	(47,132)	(14,691)	(208,345)
Cash and securities collateral	(2,559)	(10,632)	(25,568)	(13,729)	(5,558)	(58,046)
<b>Total, net</b>	<b>\$ 676</b>	<b>\$ 1,352</b>	<b>\$ 4,835</b>	<b>\$ 5,867</b>	<b>\$ 5,787</b>	<b>\$ 18,517</b>

<i>\$ in millions</i>	At March 31, 2025	At December 31, 2024
<b>Industry</b>		
Financials	\$ 5,437	\$ 5,678
Utilities	3,719	3,733
Industrials	1,004	1,315
Energy	949	987
Consumer discretionary	912	1,046
Communications services	837	914
Regional governments	760	799
Information technology	590	634
Consumer staples	588	734
Sovereign governments	511	683
Healthcare	458	353
Materials	377	409
Insurance	153	207
Real estate	124	91
Not-for-profit organizations	124	94
Other	772	840
<b>Total</b>	<b>\$ 17,315</b>	<b>\$ 18,517</b>

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

We are exposed to credit risk as a dealer in OTC derivatives. Credit risk with respect to derivative instruments arises from the possibility that a counterparty may fail to perform according to the terms of the contract. For more information on derivatives, see “Quantitative and Qualitative Disclosures about Risk—Credit Risk—Derivatives” in the 2024 Form 10-K and Note 6 to the financial statements.

## Country Risk

Country risk exposure is the risk that events in, or that affect, a foreign country (any country other than the U.S.) might adversely affect us. We actively manage country risk exposure through a comprehensive risk management framework that combines credit and other market fundamentals and allows us to effectively identify, monitor and limit country risk. For a further discussion of our country risk exposure see “Quantitative and Qualitative Disclosures about Risk—Country and Other Risks” in the 2024 Form 10-K.

### Top 10 Non-U.S. Country Exposures

	At March 31, 2025				
\$ in millions	United Kingdom	France	Germany	Brazil	Japan
<b>Sovereign</b>					
Net inventory <sup>1</sup>	\$ (289)	\$ 4,943	\$ (1,796)	\$ 5,926	\$ 2,393
Net counterparty exposure <sup>2</sup>	13	2	72	—	9
Exposure before hedges	(276)	4,945	(1,724)	5,926	2,402
Hedges <sup>3</sup>	(55)	(162)	(242)	(134)	(173)
Net exposure	\$ (331)	\$ 4,783	\$ (1,966)	\$ 5,792	\$ 2,229
<b>Non-sovereign</b>					
Net inventory <sup>1</sup>	\$ 2,355	\$ 1,698	\$ 1,407	\$ 37	\$ 756
Net counterparty exposure <sup>2</sup>	9,790	3,553	2,905	334	3,239
Loans	8,384	575	2,557	162	668
Lending commitments	9,451	3,198	5,717	404	—
Exposure before hedges	29,980	9,024	12,586	937	4,663
Hedges <sup>3</sup>	(1,838)	(1,443)	(1,825)	(57)	(222)
Net exposure	\$ 28,142	\$ 7,581	\$ 10,761	\$ 880	\$ 4,441
<b>Total net exposure</b>	<b>\$ 27,811</b>	<b>\$ 12,364</b>	<b>\$ 8,795</b>	<b>\$ 6,672</b>	<b>\$ 6,670</b>
\$ in millions	Spain	Netherlands	Korea	India	Italy
<b>Sovereign</b>					
Net inventory <sup>1</sup>	\$ 1,136	\$ 509	\$ 2,737	\$ 2,176	\$ 2,092
Net counterparty exposure <sup>2</sup>	—	—	338	—	12
Exposure before hedges	1,136	509	3,075	2,176	2,104
Hedges <sup>3</sup>	(8)	(12)	(35)	—	(29)
Net exposure	\$ 1,128	\$ 497	\$ 3,040	\$ 2,176	\$ 2,075
<b>Non-sovereign</b>					
Net inventory <sup>1</sup>	\$ 712	\$ 759	\$ 180	\$ 953	\$ 167
Net counterparty exposure <sup>2</sup>	427	674	963	749	843
Loans	2,158	1,397	—	52	174
Lending commitments	689	974	—	—	881
Exposure before hedges	3,986	3,804	1,143	1,754	2,065
Hedges <sup>3</sup>	(277)	(130)	(35)	(10)	(335)
Net exposure	\$ 3,709	\$ 3,674	\$ 1,108	\$ 1,744	\$ 1,730
<b>Total net exposure</b>	<b>\$ 4,837</b>	<b>\$ 4,171</b>	<b>\$ 4,148</b>	<b>\$ 3,920</b>	<b>\$ 3,805</b>

- Net inventory represents exposure to both long and short single-name and index positions (i.e., bonds and equities at fair value and CDS based on a notional amount assuming zero recovery adjusted for the fair value of any receivable or payable).
- Net counterparty exposure (e.g., repurchase transactions, securities lending and OTC derivatives) is net of the benefit of collateral received and also is net by counterparty when legally enforceable master netting agreements are in place.
- Amounts represent net CDS hedges (purchased and sold) on net counterparty exposure and lending executed by trading desks responsible for hedging counterparty and lending credit risk exposures. Amounts are based on the CDS notional amount assuming zero recovery adjusted for the fair value of any receivable or payable. For further description of the contractual terms for purchased credit protection and whether they may limit the effectiveness of our hedges, see “Quantitative and Qualitative Disclosures about Risk—Credit Risk—Derivatives” in the 2024 Form 10-K.

## Operational Risk

Operational risk refers to the risk of loss, or of damage to our reputation, resulting from inadequate or failed processes or systems, human factors (e.g., inappropriate or unlawful conduct) or external events (e.g., cyberattacks or third-party vulnerabilities) that may manifest as, for example, loss of information, business disruption, theft and fraud, legal and compliance risks, or damage to physical assets. We may incur operational risk across the full scope of our business activities, including revenue-generating activities and support and control groups (e.g., IT and trade processing). For a further discussion about our operational risk, see “Quantitative and Qualitative Disclosures about Risk—Operational Risk” in the 2024 Form 10-K.

## Model Risk

Model risk is the potential for adverse consequences from decisions based on incorrect or misused model outputs. Model risk can lead to financial loss, poor business and strategic decision-making, noncompliance with applicable laws and/or regulations or damage to the Firm’s reputation. The risk inherent in a model is a function of the materiality, complexity and uncertainty around inputs and assumptions. Model risk is generated from the use of models impacting financial statements, regulatory filings, capital adequacy assessments and the formulation of strategy. For a further discussion about our model risk, see “Quantitative and Qualitative Disclosures about Risk—Model Risk” in the 2024 Form 10-K.

## Liquidity Risk

Liquidity risk refers to the risk that we will be unable to finance our operations due to a loss of access to the capital markets or difficulty in liquidating our assets. Liquidity risk also encompasses our ability (or perceived ability) to meet our financial obligations without experiencing significant business disruption or reputational damage that may threaten our viability as a going concern. For a further discussion about our liquidity risk, see “Quantitative and Qualitative Disclosures about Risk—Liquidity Risk” in the 2024 Form 10-K and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources” herein.

## Legal, Regulatory and Compliance Risk

Legal, regulatory and compliance risk includes the risk of legal or regulatory sanctions, material financial loss, including fines, penalties, judgments, damages and/or settlements, limitations on our business, or loss to reputation that we may suffer as a result of failure to comply with laws, regulations, rules, related self-regulatory organization standards and codes of conduct applicable to our business activities. This risk also includes contractual and commercial risk, such as the risk that a counterparty’s performance obligations will be unenforceable. It also includes compliance with AML,

terrorist financing, and anti-corruption rules and regulations. For a further discussion about our legal and compliance risk, see “Quantitative and Qualitative Disclosures about Risk—Legal, Regulatory and Compliance Risk” in the 2024 Form 10-K.

**Climate Risk**

Climate change manifests as physical and transition risks. The physical risks of climate change include harm to people and property arising from acute climate-related events, such as floods, hurricanes, heatwaves, droughts and wildfires, and chronic, longer-term shifts in climate patterns, such as higher global average temperatures, rising sea levels and long-term droughts. The transition risks of climate change include policy, legal, technology and market changes. Examples of these transition risks include changes in consumer and business sentiment, related technologies, shareholder preferences and any additional regulatory and legislative requirements, including increased disclosure or regulation of carbon emissions. Climate risk, which is not expected to have a significant effect on our consolidated results of operations or financial condition in the near term, is an overarching risk that can impact other categories of risk. For a further discussion about our climate risk, see “Quantitative and Qualitative Disclosures about Risk—Climate Risk” in the 2024 Form 10-K.

## Report of Independent Registered Public Accounting Firm

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

### Results of Review of Interim Financial Information

We have reviewed the accompanying condensed consolidated balance sheet of Morgan Stanley and subsidiaries (the "Firm") as of March 31, 2025, and the related condensed consolidated income statements, comprehensive income statements, cash flow statements and statements of changes in total equity for the three-month periods ended March 31, 2025 and 2024, and the related notes (collectively referred to as the "interim financial information"). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of the Firm as of December 31, 2024, and the related consolidated income statement, comprehensive income statement, cash flow statement and statement of changes in total equity for the year then ended (not presented herein) included in the Firm's Annual Report on Form 10-K; and in our report dated February 21, 2025, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2024, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

### Basis for Review Results

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

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

/s/ Deloitte & Touche LLP

New York, New York  
May 5, 2025

## Consolidated Income Statement (Unaudited)

Morgan Stanley

	Three Months Ended March 31,	
	2025	2024
<i>in millions, except per share data</i>		
<b>Revenues</b>		
Investment banking	\$ 1,711	\$ 1,589
Trading	5,111	4,852
Investments	369	137
Commissions and fees	1,481	1,227
Asset management	5,963	5,269
Other	751	266
Total non-interest revenues	15,386	13,340
Interest income	13,748	12,930
Interest expense	11,395	11,134
Net interest	2,353	1,796
<b>Net revenues</b>	<b>17,739</b>	<b>15,136</b>
<b>Provision for credit losses</b>	<b>135</b>	<b>(6)</b>
<b>Non-interest expenses</b>		
Compensation and benefits	7,521	6,696
Brokerage, clearing and exchange fees	1,222	921
Information processing and communications	1,050	976
Professional services	674	639
Occupancy and equipment	449	441
Marketing and business development	238	217
Other	906	857
<b>Total non-interest expenses</b>	<b>12,060</b>	<b>10,747</b>
Income before provision for income taxes	5,544	4,395
Provision for income taxes	1,173	933
Net income	\$ 4,371	\$ 3,462
Net income applicable to noncontrolling interests	56	50
Net income applicable to Morgan Stanley	\$ 4,315	\$ 3,412
Preferred stock dividends	158	146
<b>Earnings applicable to Morgan Stanley common shareholders</b>	<b>\$ 4,157</b>	<b>\$ 3,266</b>
<b>Earnings per common share</b>		
Basic	\$ 2.62	\$ 2.04
Diluted	\$ 2.60	\$ 2.02
<b>Average common shares outstanding</b>		
Basic	1,584	1,601
Diluted	1,600	1,616

## Consolidated Comprehensive Income Statement (Unaudited)

	Three Months Ended March 31,	
	2025	2024
<i>\$ in millions</i>		
Net income	\$ 4,371	\$ 3,462
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	188	(173)
Change in net unrealized gains (losses) on available-for-sale securities	358	68
Pension and other	2	4
Change in net debt valuation adjustment	338	(563)
Net change in cash flow hedges	17	(28)
Total other comprehensive income (loss)	\$ 903	\$ (692)
Comprehensive income	\$ 5,274	\$ 2,770
Net income applicable to noncontrolling interests	56	50
Other comprehensive income (loss) applicable to noncontrolling interests	50	(56)
<b>Comprehensive income applicable to Morgan Stanley</b>	<b>\$ 5,168</b>	<b>\$ 2,776</b>

# Consolidated Balance Sheet

Morgan Stanley

	(Unaudited) At March 31, 2025	At December 31, 2024
\$ in millions, except share data		
<b>Assets</b>		
Cash and cash equivalents	\$ 90,739	\$ 105,386
Trading assets at fair value (\$203,124 and \$148,945 pledged as collateral)	400,243	331,884
Investment securities:		
Available-for-sale at fair value (amortized cost of \$101,770 and \$101,960)	98,888	98,608
Held-to-maturity (fair value of \$50,549 and \$51,203)	59,394	61,071
Securities purchased under agreements to resell (includes \$— and \$— at fair value)	119,048	118,565
Securities borrowed	140,226	123,859
Customer and other receivables	92,153	86,158
Loans:		
Held for investment (net of allowance for credit losses of \$1,133 and \$1,066)	232,792	225,834
Held for sale	16,111	12,319
Goodwill	16,714	16,706
Intangible assets (net of accumulated amortization of \$5,585 and \$5,445)	6,305	6,453
Other assets	27,683	28,228
<b>Total assets</b>	<b>\$ 1,300,296</b>	<b>\$ 1,215,071</b>
<b>Liabilities</b>		
Deposits (includes \$6,681 and \$6,499 at fair value)	\$ 381,563	\$ 376,007
Trading liabilities at fair value	170,009	153,764
Securities sold under agreements to repurchase (includes \$986 and \$956 at fair value)	69,272	50,067
Securities loaned	16,604	15,226
Other secured financings (includes \$17,757 and \$14,088 at fair value)	22,267	21,602
Customer and other payables	201,731	175,938
Other liabilities and accrued expenses	25,613	28,220
Borrowings (includes \$112,094 and \$103,332 at fair value)	305,390	288,819
<b>Total liabilities</b>	<b>1,192,449</b>	<b>1,109,643</b>
<b>Commitments and contingent liabilities (see Note 13)</b>		
<b>Equity</b>		
Morgan Stanley shareholders' equity:		
Preferred stock	9,750	9,750
Common stock, \$0.01 par value:		
Shares authorized: 3,500,000,000; Shares issued: 2,038,893,979; Shares outstanding: 1,606,806,297 and 1,606,653,706	20	20
Additional paid-in capital	29,773	30,179
Retained earnings	107,653	104,989
Employee stock trusts	5,277	5,103
Accumulated other comprehensive income (loss)	(5,961)	(6,814)
Common stock held in treasury at cost, \$0.01 par value (432,087,682 and 432,240,273 shares)	(34,423)	(33,613)
Common stock issued to employee stock trusts	(5,277)	(5,103)
<b>Total Morgan Stanley shareholders' equity</b>	<b>106,812</b>	<b>104,511</b>
Noncontrolling interests	1,035	917
<b>Total equity</b>	<b>107,847</b>	<b>105,428</b>
<b>Total liabilities and equity</b>	<b>\$ 1,300,296</b>	<b>\$ 1,215,071</b>

# Consolidated Statement of Changes in Total Equity (Unaudited)

Morgan Stanley

	Three Months Ended March 31,	
	2025	2024
\$ in millions		
<b>Preferred stock</b>		
Beginning and ending balance	\$ 9,750	8,750
<b>Common stock</b>		
Beginning and ending balance	20	20
<b>Additional paid-in capital</b>		
Beginning balance	30,179	29,832
Share-based award activity	(406)	(786)
Ending balance	29,773	29,046
<b>Retained earnings</b>		
Beginning balance	104,989	97,996
Cumulative adjustment related to the adoption of an accounting standard update <sup>1</sup>	—	(60)
Net income applicable to Morgan Stanley	4,315	3,412
Preferred stock dividends <sup>2</sup>	(158)	(146)
Common stock dividends <sup>2</sup>	(1,492)	(1,390)
Other net increases (decreases)	(1)	(1)
Ending balance	107,653	99,811
<b>Employee stock trusts</b>		
Beginning balance	5,103	5,314
Share-based award activity	174	(64)
Ending balance	5,277	5,250
<b>Accumulated other comprehensive income (loss)</b>		
Beginning balance	(6,814)	(6,421)
Net change in Accumulated other comprehensive income (loss)	853	(636)
Ending balance	(5,961)	(7,057)
<b>Common stock held in treasury at cost</b>		
Beginning balance	(33,613)	(31,139)
Share-based award activity	1,220	1,485
Repurchases of common stock and employee tax withholdings	(2,030)	(1,718)
Ending balance	(34,423)	(31,372)
<b>Common stock issued to employee stock trusts</b>		
Beginning balance	(5,103)	(5,314)
Share-based award activity	(174)	64
Ending balance	(5,277)	(5,250)
<b>Noncontrolling interests</b>		
Beginning balance	917	944
Net income applicable to noncontrolling interests	56	50
Net change in Accumulated other comprehensive income (loss) applicable to noncontrolling interests	50	(56)
Other net increases (decreases)	12	4
Ending balance	1,035	942
<b>Total equity</b>	<b>\$ 107,843</b>	<b>100,140</b>

1. The Firm adopted the *Investments - Tax Credit Structures* accounting standard update on January 1, 2024. Refer to Note 2 to the financial statements in the 2024 Form 10-K for further information.  
2. See Note 16 for information regarding dividends per share for each class of stock.

# Consolidated Cash Flow Statement (Unaudited)

Morgan Stanley

\$ in millions	Three Months Ended March 31,	
	2025	2024
<b>Cash flows from operating activities</b>		
Net income	\$ 4,371	\$ 3,462
Adjustments to reconcile net income to net cash provided by (used for) operating activities:		
Stock-based compensation expense	539	442
Depreciation and amortization	865	975
Provision for credit losses	135	(6)
Other operating adjustments	(2)	(12)
Changes in assets and liabilities:		
Trading assets, net of Trading liabilities	(48,968)	(1,395)
Securities borrowed	(16,367)	(11,761)
Securities loaned	1,378	888
Customer and other receivables and other assets	(9,109)	272
Customer and other payables and other liabilities	24,460	3,735
Securities purchased under agreements to resell	(483)	(11,993)
Securities sold under agreements to repurchase	19,205	19,753
<b>Net cash provided by (used for) operating activities</b>	<b>(23,976)</b>	<b>4,360</b>
<b>Cash flows from investing activities</b>		
Proceeds from (payments for):		
Other assets—Premises, equipment and software	(713)	(816)
Changes in loans, net	(6,486)	(355)
AFS securities:		
Purchases	(6,562)	(9,019)
Proceeds from sales	1,714	4,548
Proceeds from paydowns and maturities	5,314	5,308
HTM securities:		
Purchases	—	(1,453)
Proceeds from paydowns and maturities	1,723	3,112
Other investing activities	(24)	(271)
<b>Net cash provided by (used for) investing activities</b>	<b>(5,034)</b>	<b>1,054</b>
<b>Cash flows from financing activities</b>		
Net proceeds from (payments for):		
Other secured financings	(683)	1,225
Deposits	5,520	534
Proceeds from issuance of Borrowings	32,439	28,079
Payments for:		
Borrowings	(20,845)	(17,721)
Repurchases of common stock and employee tax withholdings	(2,030)	(1,718)
Cash dividends	(1,616)	(1,496)
Other financing activities	260	(46)
<b>Net cash provided by (used for) financing activities</b>	<b>13,045</b>	<b>8,857</b>
Effect of exchange rate changes on cash and cash equivalents	1,318	(1,198)
Net increase (decrease) in cash and cash equivalents	(14,647)	13,073
Cash and cash equivalents, at beginning of period	105,386	89,232
<b>Cash and cash equivalents, at end of period</b>	<b>\$ 90,739</b>	<b>\$ 102,305</b>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Cash payments for:		
Interest	\$ 12,464	\$ 11,878
Income taxes, net of refunds	534	233



## 1. Introduction and Basis of Presentation

### The Firm

Morgan Stanley is a global financial services firm that maintains significant market positions in each of its business segments—Institutional Securities, Wealth Management and Investment Management. Morgan Stanley, through its subsidiaries and affiliates, provides a wide variety of products and services to a large and diversified group of clients and customers, including corporations, governments, financial institutions and individuals. Unless the context otherwise requires, the terms “Morgan Stanley” or the “Firm” mean Morgan Stanley (the “Parent Company”) together with its consolidated subsidiaries. See the “Glossary of Common Terms and Acronyms” for the definition of certain terms and acronyms used throughout this Form 10-Q.

A description of the clients and principal products and services of each of the Firm’s business segments is 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 the underwriting of debt, equity securities and other products, as well as advice on mergers and acquisitions, restructurings and project finance. Our Markets business, which comprises Equity and Fixed Income, provides sales, financing, prime brokerage, market-making, 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 clients. 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. Wealth Management covers: financial advisor-led brokerage, custody, administrative and investment advisory services; self-directed brokerage services; financial and wealth planning services; workplace services, including stock plan administration; securities-based lending, residential and commercial real estate loans and other lending products; banking; and retirement plan services.

Investment Management provides a broad range of investment strategies and products that span geographies, asset classes, and public and private markets to a diverse group of clients across institutional and intermediary channels. Strategies and products, which are offered through a variety of investment vehicles, include equity, fixed income, alternatives and solutions, and liquidity and overlay services. Institutional clients include defined benefit/defined contribution plans, foundations,

endowments, government entities, sovereign wealth funds, insurance companies, third-party fund sponsors and corporations. Individual clients are generally served through intermediaries, including affiliated and non-affiliated distributors.

### Basis of Financial Information

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

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

The accompanying financial statements should be read in conjunction with the Firm’s financial statements and notes thereto included in the 2024 Form 10-K. Certain footnote disclosures included in the 2024 Form 10-K have been condensed or omitted from these financial statements as they are not required for interim reporting under U.S. GAAP. The financial statements reflect all adjustments of a normal, recurring nature that are, in the opinion of management, necessary for the fair presentation of the results for the interim period. The results of operations for interim periods are not necessarily indicative of results for the entire year.

### Consolidation

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

For a discussion of the Firm’s significant regulated U.S. and international subsidiaries and its involvement with VIEs, see Note 1 to the financial statements in the 2024 Form 10-K.

# Notes to Consolidated Financial Statements (Unaudited)

Morgan Stanley

## 2. Significant Accounting Policies

For a detailed discussion about the Firm's significant accounting policies and for further information on accounting updates adopted in the prior year, see Note 2 to the financial statements in the 2024 Form 10-K.

During the three months ended March 31, 2025 there were no significant updates to the Firm's significant accounting policies.

## 3. Cash and Cash Equivalents

<i>\$ in millions</i>	At March 31, 2025	At December 31, 2024
Cash and due from banks	\$ 4,450	\$ 4,436
Interest bearing deposits with banks	86,289	100,950
<b>Total Cash and cash equivalents</b>	<b>\$ 90,739</b>	<b>\$ 105,386</b>
Restricted cash	\$ 29,904	\$ 29,643

For additional information on cash and cash equivalents, including restricted cash, see Note 2 to the financial statements in the 2024 Form 10-K.

## 4. Fair Values

### Recurring Fair Value Measurements

#### Assets and Liabilities Measured at Fair Value on a Recurring Basis

<i>\$ in millions</i>	At March 31, 2025					
	Level 1	Level 2	Level 3	Netting <sup>1</sup>	Total	
<b>Assets at fair value</b>						
Trading assets:						
U.S. Treasury and agency securities	\$ 57,324	\$ 52,857	\$ —	\$ —	\$ 110,181	
Other sovereign government obligations	40,899	14,769	29	—	55,697	
State and municipal securities	—	2,695	—	—	2,695	
MABS	—	2,216	346	—	2,562	
Loans and lending commitments <sup>2</sup>	—	8,040	2,026	—	10,066	
Corporate and other debt	—	36,936	1,434	—	38,370	
Corporate equities <sup>3,5</sup>	129,155	977	163	—	130,295	
Derivative and other contracts:						
Interest rate	3,194	123,090	285	—	126,569	
Credit	—	10,997	338	—	11,335	
Foreign exchange	24	72,661	383	—	73,068	
Equity	1,576	73,907	694	—	76,177	
Commodity and other	543	13,521	1,875	—	15,939	
Netting <sup>1</sup>	(3,946)	(222,991)	(601)	(39,325)	(266,863)	
Total derivative and other contracts	1,391	71,185	2,974	(39,325)	36,225	
Investments <sup>4,5</sup>	789	1,108	779	—	2,676	
Physical commodities	—	5,018	—	—	5,018	
Total trading assets <sup>4</sup>	229,558	195,801	7,751	(39,325)	393,785	
Investment securities—AFS	70,482	28,406	—	—	98,888	
<b>Total assets at fair value</b>	<b>\$ 300,040</b>	<b>\$ 224,207</b>	<b>\$ 7,751</b>	<b>\$ (39,325)</b>	<b>\$ 492,673</b>	

<i>\$ in millions</i>	At March 31, 2025					
	Level 1	Level 2	Level 3	Netting <sup>1</sup>	Total	
<b>Liabilities at fair value</b>						
Deposits	\$ —	\$ 6,678	\$ 3	\$ —	\$ 6,681	
Trading liabilities:						
U.S. Treasury and agency securities	24,209	56	—	—	24,265	
Other sovereign government obligations	27,326	3,767	4	—	31,097	
Corporate and other debt	—	14,938	11	—	14,949	
Corporate equities <sup>3</sup>	63,777	106	13	—	63,896	
Derivative and other contracts:						
Interest rate	3,161	111,591	408	—	115,160	
Credit	1	11,436	209	—	11,646	
Foreign exchange	196	67,957	78	—	68,231	
Equity	1,807	90,903	1,579	—	94,289	
Commodity and other	584	12,688	1,013	—	14,285	
Netting <sup>1</sup>	(3,946)	(222,991)	(601)	(40,270)	(267,808)	
Total derivative and other contracts	1,803	71,584	2,686	(40,270)	35,803	
Total trading liabilities	117,115	90,451	2,714	(40,270)	170,010	
Securities sold under agreements to repurchase	—	326	660	—	986	
Other secured financings	—	17,322	435	—	17,757	
Borrowings	—	111,192	902	—	112,094	
<b>Total liabilities at fair value</b>	<b>\$ 117,115</b>	<b>\$ 225,969</b>	<b>\$ 4,714</b>	<b>\$ (40,270)</b>	<b>\$ 307,528</b>	

<i>\$ in millions</i>	At December 31, 2024					
	Level 1	Level 2	Level 3	Netting <sup>1</sup>	Total	
<b>Assets at fair value</b>						
Trading assets:						
U.S. Treasury and agency securities	\$ 54,436	\$ 44,332	\$ —	\$ —	\$ 98,768	
Other sovereign government obligations	25,179	9,969	17	—	35,165	
State and municipal securities	—	2,993	—	—	2,993	
MABS	—	2,231	281	—	2,512	
Loans and lending commitments <sup>2</sup>	—	7,602	1,059	—	8,661	
Corporate and other debt	—	30,394	1,258	—	31,652	
Corporate equities <sup>3,5</sup>	102,874	606	154	—	103,634	
Derivative and other contracts:						
Interest rate	4,154	124,309	343	—	128,806	
Credit	—	8,783	367	—	9,150	
Foreign exchange	65	108,037	620	—	108,722	
Equity	2,704	72,532	446	—	75,682	
Commodity and other	1,366	12,370	2,195	—	15,931	
Netting <sup>1</sup>	(6,471)	(251,771)	(645)	(40,835)	(299,722)	
Total derivative and other contracts	1,818	74,260	3,326	(40,835)	38,569	
Investments <sup>4,5</sup>	808	933	754	—	2,495	
Physical commodities	—	1,229	—	—	1,229	
Total trading assets <sup>4</sup>	185,115	174,549	6,849	(40,835)	325,678	
Investment securities—AFS	69,834	28,774	—	—	98,608	
<b>Total assets at fair value</b>	<b>\$ 254,949</b>	<b>\$ 203,323</b>	<b>\$ 6,849</b>	<b>\$ (40,835)</b>	<b>\$ 424,286</b>	

# Notes to Consolidated Financial Statements (Unaudited)

Morgan Stanley

\$ in millions	At December 31, 2024				
	Level 1	Level 2	Level 3	Netting <sup>1</sup>	Total
<b>Liabilities at fair value</b>					
Deposits	\$ —	\$ 6,498	\$ 1	\$ —	\$ 6,499
Trading liabilities:					
U.S. Treasury and agency securities	21,505	3	—	—	21,508
Other sovereign government obligations	20,724	3,712	84	—	24,520
Corporate and other debt	—	9,032	11	—	9,043
Corporate equities <sup>3</sup>	60,653	95	15	—	60,763
Derivative and other contracts:					
Interest rate	3,615	114,179	396	—	118,190
Credit	—	9,302	270	—	9,572
Foreign exchange	147	104,793	31	—	104,971
Equity	3,241	90,639	1,594	—	95,474
Commodity and other	1,461	11,215	887	—	13,563
Netting <sup>1</sup>	(6,471)	(251,771)	(645)	(44,953)	(303,840)
Total derivative and other contracts	1,993	78,357	2,533	(44,953)	37,930
Total trading liabilities	104,875	91,199	2,643	(44,953)	153,764
Securities sold under agreements to repurchase	—	512	444	—	956
Other secured financings	—	14,012	76	—	14,088
Borrowings	—	102,385	947	—	103,332
<b>Total liabilities at fair value</b>	<b>\$ 104,875</b>	<b>\$ 214,606</b>	<b>\$ 4,111</b>	<b>\$ (44,953)</b>	<b>\$ 278,639</b>

MABS—Mortgage- and asset-backed securities

- For positions with the same counterparty that cross over the levels of the fair value hierarchy, both counterparty netting and cash collateral netting are included in the column titled "Netting." Positions classified within the same level that are with the same counterparty are netted within that level. For further information on derivative instruments and hedging activities, see Note 6.
- For a further breakdown by type, see the following Detail of Loans and Lending Commitments at Fair Value table.
- For trading purposes, the Firm holds or sells short equity securities issued by entities in diverse industries and of varying sizes.
- Amounts exclude certain investments that are measured based on NAV per share, which are not classified in the fair value hierarchy. For additional disclosure about such investments, see "Net Asset Value Measurements" herein.
- At March 31, 2025 and December 31, 2024, the Firm's Trading assets included an insignificant amount of equity securities subject to contractual sale restrictions that generally prohibit the Firm from selling the security for a period of time as of the measurement date.

## Detail of Loans and Lending Commitments at Fair Value

\$ in millions	At		At	
	March 31, 2025		December 31, 2024	
Commercial real estate	\$ 823	\$	498	
Residential real estate	2,521		1,922	
Securities-based lending and Other loans	6,722		6,241	
<b>Total</b>	<b>\$ 10,066</b>	<b>\$</b>	<b>8,661</b>	

## Unsettled Fair Value of Futures Contracts<sup>1</sup>

\$ in millions	At		At	
	March 31, 2025		December 31, 2024	
Customer and other receivables (payables), net	\$ 1,823	\$	1,914	

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

For a description of the valuation techniques applied to the Firm's major categories of assets and liabilities measured at fair value on a recurring basis, see Note 4 to the financial statements in the 2024 Form 10-K. During the current quarter, there were no significant revisions made to the Firm's valuation techniques.

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

\$ in millions	Three Months Ended March 31,	
	2025	2024
<b>Other sovereign government obligations</b>		
Beginning balance	\$ —	\$ 17
Realized and unrealized gains (losses)	(1)	(2)
Purchases	5	3
Sales	(3)	(8)
Net transfers	11	(23)
Ending balance	\$ 29	\$ 64
Unrealized gains (losses)	\$ —	\$ 1
<b>State and municipal securities</b>		
Beginning balance	\$ —	\$ 34
Purchases	—	2
Sales	—	(32)
Net transfers	—	98
Ending balance	\$ —	\$ 102
Unrealized gains (losses)	\$ —	\$ —
<b>MABS</b>		
Beginning balance	\$ 281	\$ 489
Realized and unrealized gains (losses)	—	6
Purchases	92	48
Sales	(78)	(84)
Net transfers	51	(2)
Ending balance	\$ 346	\$ 457
Unrealized gains (losses)	\$ —	\$ (8)
<b>Loans and lending commitments</b>		
Beginning balance	\$ 1,059	\$ 2,066
Realized and unrealized gains (losses)	6	(10)
Purchases and originations	759	483
Sales	(432)	(410)
Settlements	(12)	(122)
Net transfers	646	(112)
Ending balance	\$ 2,026	\$ 1,895
Unrealized gains (losses)	\$ 7	\$ (10)
<b>Corporate and other debt</b>		
Beginning balance	\$ 1,258	\$ 1,983
Realized and unrealized gains (losses)	(33)	50
Purchases and originations	426	196
Sales	(275)	(122)
Settlements	—	(2)
Net transfers	58	(63)
Ending balance	\$ 1,434	\$ 2,042
Unrealized gains (losses)	\$ (1)	\$ 108
<b>Corporate equities</b>		
Beginning balance	\$ 154	\$ 199
Realized and unrealized gains (losses)	(21)	(64)
Purchases	52	10
Sales	(57)	(12)
Net transfers	35	135
Ending balance	\$ 163	\$ 268
Unrealized gains (losses)	\$ —	\$ (2)

# Notes to Consolidated Financial Statements (Unaudited)

Morgan Stanley

\$ in millions	Three Months Ended March 31,	
	2025	2024
<b>Investments</b>		
Beginning balance	\$ 754	\$ 949
Realized and unrealized gains (losses)	22	20
Purchases	24	3
Sales	(25)	(2)
Net transfers	4	—
Ending balance	\$ 779	\$ 970
Unrealized gains (losses)	\$ 10	\$ (5)
<b>Net derivatives: Interest rate</b>		
Beginning balance	\$ (53)	\$ (73)
Realized and unrealized gains (losses)	(119)	113
Purchases	10	31
Issuances	(12)	(16)
Settlements	18	(112)
Net transfers	33	105
Ending balance	\$ (123)	\$ 48
Unrealized gains (losses)	\$ (116)	\$ 119
<b>Net derivatives: Credit</b>		
Beginning balance	\$ 97	\$ 96
Realized and unrealized gains (losses)	(22)	(11)
Settlements	34	48
Net transfers	20	(6)
Ending balance	\$ 129	\$ 127
Unrealized gains (losses)	\$ (54)	\$ (9)
<b>Net derivatives: Foreign exchange</b>		
Beginning balance	\$ 589	\$ (365)
Realized and unrealized gains (losses)	(243)	301
Purchases	—	9
Settlements	(30)	(28)
Net transfers	(11)	103
Ending balance	\$ 305	\$ 20
Unrealized gains (losses)	\$ (201)	\$ 348
<b>Net derivatives: Equity</b>		
Beginning balance	\$ (1,148)	\$ (1,102)
Realized and unrealized gains (losses)	380	171
Purchases	175	47
Issuances	(144)	(49)
Settlements	(288)	77
Net transfers	140	(133)
Ending balance	\$ (885)	\$ (989)
Unrealized gains (losses)	\$ 298	\$ 192
<b>Net derivatives: Commodity and other</b>		
Beginning balance	\$ 1,308	\$ 1,290
Realized and unrealized gains (losses)	23	44
Purchases	22	87
Issuances	(22)	(44)
Settlements	(64)	(153)
Net transfers	(405)	(14)
Ending balance	\$ 862	\$ 1,210
Unrealized gains (losses)	\$ (5)	\$ (132)
<b>Deposits</b>		
Beginning balance	\$ 1	\$ 33
Realized and unrealized losses (gains)	—	1
Issuances	2	2
Settlements	(1)	(1)
Net transfers	1	16
Ending balance	\$ 3	\$ 51
Unrealized losses (gains)	\$ —	\$ 1

\$ in millions	Three Months Ended March 31,	
	2025	2024
<b>Nonderivative trading liabilities</b>		
Beginning balance	\$ 110	\$ 60
Realized and unrealized losses (gains)	(4)	4
Purchases	(26)	(38)
Sales	25	27
Net transfers	(77)	20
Ending balance	\$ 28	\$ 73
Unrealized losses (gains)	\$ —	\$ 4
<b>Securities sold under agreements to repurchase</b>		
Beginning balance	\$ 444	\$ 449
Realized and unrealized losses (gains)	13	11
Net transfers	203	—
Ending balance	\$ 660	\$ 460
Unrealized losses (gains)	\$ 13	\$ 11
<b>Other secured financings</b>		
Beginning balance	\$ 76	\$ 92
Realized and unrealized losses (gains)	10	(4)
Issuances	139	7
Settlements	(5)	(21)
Net transfers	215	—
Ending balance	\$ 435	\$ 74
Unrealized losses (gains)	\$ 10	\$ (4)
<b>Borrowings</b>		
Beginning balance	\$ 947	\$ 1,878
Realized and unrealized losses (gains)	7	51
Issuances	91	217
Settlements	(86)	(109)
Net transfers	(57)	(10)
Ending balance	\$ 902	\$ 2,027
Unrealized losses (gains)	\$ 3	\$ 50
Portion of Unrealized losses (gains) recorded in OCI—		
Change in net DVA	(2)	22

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

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

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

# Notes to Consolidated Financial Statements (Unaudited)

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

### Valuation Techniques and Unobservable Inputs

\$ in millions, except inputs	Balance / Range (Average <sup>1</sup> )	
	At March 31, 2025	At December 31, 2024
<b>Assets at Fair Value on a Recurring Basis</b>		
<b>Other sovereign government obligations</b>		
	\$	\$
Comparable pricing:		
Bond price	60 to 104 points (92 points)	45 to 104 points (75 points)
<b>MABS</b>	<b>\$ 346</b>	<b>\$ 281</b>
Comparable pricing:		
Bond price	29 to 98 points (71 points)	27 to 98 points (67 points)
<b>Loans and lending commitments</b>	<b>\$ 2,026</b>	<b>\$ 1,059</b>
Margin loan model:		
Margin loan rate	1% to 3% (2%)	1% to 4% (3%)
Comparable pricing:		
Loan price	50 to 102 points (94 points)	49 to 102 points (90 points)
<b>Corporate and other debt</b>	<b>\$ 1,434</b>	<b>\$ 1,258</b>
Comparable pricing:		
Bond price	28 to 131 points (84 points)	28 to 130 points (83 points)
Discounted cash flow:		
Loss given default	54% to 85% (68% / 54%)	54% to 84% (62% / 54%)
<b>Corporate equities</b>	<b>\$ 163</b>	<b>\$ 154</b>
Comparable pricing:		
Equity price	100%	100%
<b>Investments</b>	<b>\$ 779</b>	<b>\$ 754</b>
Discounted cash flow:		
WACC	10% to 21% (15%)	12% to 21% (16%)
Exit multiple	9 to 10 times (10 times)	9 to 10 times (10 times)
Market approach:		
EBITDA multiple	18 times	20 times
Comparable pricing:		
Equity price	24% to 100% (85%)	24% to 100% (84%)
<b>Net derivative and other contracts:</b>		
<b>Interest rate</b>	<b>\$ (123)</b>	<b>\$ (53)</b>
Option model:		
IR volatility skew	44% to 97% (74% / 78%)	72% to 97% (81% / 79%)
IR curve correlation	28% to 98% (82% / 85%)	28% to 99% (83% / 86%)
Bond volatility	81% to 152% (100% / 98%)	78% to 148% (92% / 92%)
Inflation volatility	32% to 67% (44% / 40%)	30% to 68% (44% / 38%)
<b>Credit</b>	<b>\$ 129</b>	<b>\$ 97</b>
Credit default swap model:		
Cash-synthetic basis	7 points	7 points
Bond price	0 to 92 points (46 points)	0 to 90 points (48 points)
Credit spread	40 to 1,667 bps (158 bps)	10 to 360 bps (90 bps)
Funding spread	10 to 597 bps (73 bps)	10 to 590 bps (76 bps)
<b>Foreign exchange<sup>2</sup></b>	<b>\$ 305</b>	<b>\$ 589</b>
Option model:		
IR curve	10% to 10% (10% / 10%)	5% to 10% (8% / 8%)
Contingency probability	90% to 95% (91% / 95%)	90% to 95% (91% / 95%)

\$ in millions, except inputs	Balance / Range (Average <sup>1</sup> )	
	At March 31, 2025	At December 31, 2024
<b>Equity<sup>2</sup></b>	<b>\$ (885)</b>	<b>\$ (1,148)</b>
Option model:		
Equity volatility	6% to 92% (18%)	7% to 98% (20%)
Equity volatility skew	-2% to 0% (-1%)	-2% to 0% (-1%)
Equity correlation	15% to 96% (59%)	20% to 94% (58%)
FX correlation	-67% to 60% (-32%)	-68% to 60% (-36%)
IR correlation	10% to 15% (10%)	N/M
<b>Commodity and other</b>	<b>\$ 862</b>	<b>\$ 1,308</b>
Option model:		
Forward power price	\$1 to \$173 (\$53) per MWh	\$0 to \$185 (\$48) per MWh
Commodity volatility	17% to 100% (34%)	0% to 165% (37%)
Cross-commodity correlation	69% to 99% (94%)	54% to 100% (94%)
<b>Liabilities Measured at Fair Value on a Recurring Basis</b>		
<b>Securities sold under agreements to repurchase</b>		
	\$ 660	\$ 444
Discounted cash flow:		
Funding spread	21 to 132 bps (68 / 69 bps)	11 to 102 bps (36 / 26 bps)
<b>Other secured financings</b>	<b>\$ 435</b>	<b>\$ 76</b>
Comparable pricing:		
Loan price	0 to 106 points (96 points)	0 to 100 points (33 points)
<b>Borrowings</b>	<b>\$ 902</b>	<b>\$ 947</b>
Option model:		
Equity volatility	5% to 68% (26%)	7% to 71% (21%)
Equity volatility skew	-2% to 1% (-1%)	-2% to 0% (0%)
Equity correlation	41% to 94% (78%)	53% to 64% (58%)
Equity - FX correlation	-62% to 27% (-23%)	-52% to 24% (-12%)
Credit default swap model:		
Credit spread	341 to 539 bps (440 bps)	247 to 433 bps (340 bps)
Discounted cash flow:		
Loss given default	54% to 85% (68% / 54%)	54% to 84% (62% / 54%)
<b>Nonrecurring Fair Value Measurement</b>		
<b>Loans</b>	<b>\$ 2,332</b>	<b>\$ 4,518</b>
Corporate loan model:		
Credit spread	94 to 1,086 bps (468 bps)	109 to 1,469 bps (1,007 bps)
Comparable pricing:		
Loan price	25 to 100 points (84 points)	25 to 100 points (71 points)
Warehouse model:		
Credit spread	202 to 285 bps (255 bps)	207 to 280 bps (254 bps)

Points—Percentage of par

IR—Interest rate

FX—Foreign exchange

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

The previous table provides information on the valuation techniques, significant unobservable inputs, and the ranges and averages for each major category of assets and liabilities measured at fair value on a recurring and nonrecurring basis with a significant Level 3 balance. The level of aggregation and breadth of products cause the range of inputs to be wide

## Notes to Consolidated Financial Statements (Unaudited)

and not evenly distributed across the inventory of financial instruments. Further, the range of unobservable inputs may differ across firms in the financial services industry because of diversity in the types of products included in each firm's inventory. Generally, there are no predictable relationships between multiple significant unobservable inputs attributable to a given valuation technique.

For a description of the Firm's significant unobservable inputs and qualitative information about the effect of hypothetical changes in the values of those inputs, see Note 4 to the financial statements in the 2024 Form 10-K. During the three months ended March 31, 2025, there were no significant revisions made to the descriptions of the Firm's significant unobservable inputs.

### Net Asset Value Measurements

#### Fund Interests

\$ in millions	At March 31, 2025		At December 31, 2024	
	Carrying Value	Commitment	Carrying Value	Commitment
Private equity and other	\$ 2,916	\$ 616	\$ 2,653	\$ 644
Real estate	3,446	198	3,461	214
Hedge	96	2	92	2
<b>Total</b>	<b>\$ 6,458</b>	<b>\$ 816</b>	<b>\$ 6,206</b>	<b>\$ 860</b>

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

For a description of the Firm's investments in private equity and other funds, real estate funds and hedge funds, which are measured based on NAV, see Note 4 to the financial statements in the 2024 Form 10-K.

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

### Nonredeemable Funds by Contractual Maturity

\$ in millions	Carrying Value at March 31, 2025	
	Private Equity and Other	Real Estate
Less than 5 years	\$ 1,074	\$ 2,070
5-10 years	1,670	1,245
Over 10 years	172	131
<b>Total</b>	<b>\$ 2,916</b>	<b>\$ 3,446</b>

### Nonrecurring Fair Value Measurements

#### Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

\$ in millions	At March 31, 2025		
	Level 2	Fair Value Level 3 <sup>1</sup>	Total
<b>Assets</b>			
Loans	\$ 1,749	\$ 2,332	\$ 4,081
Other assets—Other investments	—	59	59
<b>Total</b>	<b>\$ 1,749</b>	<b>\$ 2,391</b>	<b>\$ 4,140</b>
<b>Liabilities</b>			
Other liabilities and accrued expenses—Lending commitments	\$ 56	\$ 23	\$ 79
<b>Total</b>	<b>\$ 56</b>	<b>\$ 23</b>	<b>\$ 79</b>

\$ in millions	At December 31, 2024		
	Level 2	Fair Value Level 3 <sup>1</sup>	Total
<b>Assets</b>			
Loans	\$ 1,607	\$ 4,518	\$ 6,125
Other assets—Other investments	—	58	58
Other assets—ROU assets	23	—	23
<b>Total</b>	<b>\$ 1,630</b>	<b>\$ 4,576</b>	<b>\$ 6,206</b>
<b>Liabilities</b>			
Other liabilities and accrued expenses—Lending commitments	\$ 48	\$ 33	\$ 81
<b>Total</b>	<b>\$ 48</b>	<b>\$ 33</b>	<b>\$ 81</b>

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

### Gains (Losses) from Nonrecurring Fair Value Remeasurements<sup>1</sup>

\$ in millions	Three Months Ended March 31,	
	2025	2024
<b>Assets</b>		
Loans <sup>2</sup>	\$ 19	\$ (22)
Other assets—Other investments <sup>3</sup>	(6)	—
Other assets—Premises, equipment and software <sup>4</sup>	(5)	—
<b>Total</b>	<b>\$ 8</b>	<b>\$ (22)</b>
<b>Liabilities</b>		
Other liabilities and accrued expenses—Lending commitments <sup>2</sup>	\$ (8)	\$ 1
<b>Total</b>	<b>\$ (8)</b>	<b>\$ 1</b>

- Gains and losses for Loans and Other assets—Other investments are classified in Other revenues. For other items, gains and losses are recorded in Other revenues if the item is held for sale; otherwise, they are recorded in Other expenses.
- Nonrecurring changes in the fair value of loans and lending commitments, which exclude the impact of related economic hedges, are calculated as follows: for the held-for-investment category, based on the value of the underlying collateral; and for the held-for-sale category, based on recently executed transactions, market price quotations, valuation models that incorporate market observable inputs where possible, such as comparable loan or debt prices and CDS spread levels adjusted for any basis difference between cash and derivative instruments, or default recovery analysis where such transactions and quotations are unobservable.

## Notes to Consolidated Financial Statements (Unaudited)

Morgan Stanley

3. Losses related to Other assets—Other investments were determined using techniques that included discounted cash flow models, methodologies that incorporate multiples of certain comparable companies and recently executed transactions.
4. Losses related to Other assets—Premises, equipment and software generally include impairments as well as write-offs related to the disposal of certain assets.

### Financial Instruments Not Measured at Fair Value

	At March 31, 2025					
	Carrying Value		Fair Value			
<i>\$ in millions</i>			Level 1	Level 2	Level 3	Total
<b>Financial assets</b>						
Cash and cash equivalents	\$	90,739	\$ 90,739	\$ —	\$ —	\$ 90,739
Investment securities—HTM		59,394	15,064	34,283	1,202	50,549
Securities purchased under agreements to resell		119,048	—	117,539	1,550	119,089
Securities borrowed		140,226	—	140,226	—	140,226
Customer and other receivables		85,428	—	81,167	4,131	85,298
Loans <sup>1</sup>						
Held for investment		232,792	—	15,388	212,932	228,320
Held for sale		16,111	—	11,181	5,043	16,224
Other assets		704	—	704	—	704
<b>Financial liabilities</b>						
Deposits	\$	374,882	\$ —	\$ 375,281	\$ —	\$ 375,281
Securities sold under agreements to repurchase		68,286	—	68,268	—	68,268
Securities loaned		16,604	—	16,598	—	16,598
Other secured financings		4,510	—	4,507	—	4,507
Customer and other payables		201,626	—	201,626	—	201,626
Borrowings		193,296	—	195,133	173	195,306
		Commitment Amount				
Lending commitments <sup>2</sup>	\$	179,499	\$ —	\$ 1,207	\$ 1,046	\$ 2,253

	At December 31, 2024					
	Carrying Value		Fair Value			
<i>\$ in millions</i>			Level 1	Level 2	Level 3	Total
<b>Financial assets</b>						
Cash and cash equivalents	\$	105,386	\$ 105,386	\$ —	\$ —	\$ 105,386
Investment securities—HTM		61,071	15,803	34,180	1,220	51,203
Securities purchased under agreements to resell		118,565	—	117,151	1,450	118,601
Securities borrowed		123,859	—	123,859	—	123,859
Customer and other receivables		79,586	—	75,361	4,056	79,417
Loans <sup>1</sup>						
Held for investment		225,834	—	17,859	202,297	220,156
Held for sale		12,319	—	6,324	6,115	12,439
Other assets		839	—	839	—	839
<b>Financial liabilities</b>						
Deposits	\$	369,508	\$ —	\$ 370,039	\$ —	\$ 370,039
Securities sold under agreements to repurchase		49,111	—	49,103	—	49,103
Securities loaned		15,226	—	15,228	—	15,228
Other secured financings		7,514	—	7,511	—	7,511
Customer and other payables		175,890	—	175,890	—	175,890
Borrowings		185,487	—	188,269	93	188,362
		Commitment Amount				
Lending commitments <sup>2</sup>	\$	175,774	\$ —	\$ 1,094	\$ 839	\$ 1,933

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

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

## 5. Fair Value Option

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

### Borrowings Measured at Fair Value on a Recurring Basis

\$ in millions	At March 31, 2025	At December 31, 2024
<b>Business Unit Responsible for Risk Management</b>		
Equity	\$ 54,584	\$ 49,144
Interest rates	38,261	34,451
Commodities	13,594	14,829
Credit	4,022	3,306
Foreign exchange	1,633	1,602
<b>Total</b>	<b>\$ 112,094</b>	<b>\$ 103,332</b>



## Notes to Consolidated Financial Statements (Unaudited)

### Net Revenues from Liabilities under the Fair Value Option

<i>\$ in millions</i>	Trading Revenues	Interest Expense	Net Revenues <sup>1</sup>
<b>Three Months Ended March 31, 2025</b>			
Borrowings	\$ (1,788)	\$ 200	\$ (1,988)
Deposits	(37)	53	(90)
<b>Three Months Ended March 31, 2024</b>			
Borrowings	\$ (114)	\$ 144	\$ (258)

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

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

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

<i>\$ in millions</i>	Three Months Ended March 31,			
	2025		2024	
	Trading Revenues	OCI	Trading Revenues	OCI
Loans and other receivables <sup>1</sup>	\$ (6)	\$ —	\$ 26	\$ —
Lending commitments	(1)	—	(3)	—
Deposits	—	50	—	(4)
Borrowings	(9)	398	(10)	(737)

<i>\$ in millions</i>	At March 31, 2025	At December 31, 2024
Cumulative pre-tax DVA gain (loss) recognized in AOCI	\$ (2,420)	\$ (2,868)

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

### Difference Between Contractual Principal and Fair Value<sup>1</sup>

<i>\$ in millions</i>	At March 31, 2025	At December 31, 2024
Loans and other receivables <sup>2</sup>	\$ 10,430	\$ 10,207
Nonaccrual loans <sup>2</sup>	7,821	7,719
Borrowings <sup>3</sup>	3,483	3,249

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

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

### Fair Value Loans on Nonaccrual Status

<i>\$ in millions</i>	At March 31, 2025	At December 31, 2024
Nonaccrual loans	\$ 993	\$ 647
Nonaccrual loans 90 or more days past due	169	155

## 6. Derivative Instruments and Hedging Activities

### Fair Values of Derivative Contracts

<i>\$ in millions</i>	Assets at March 31, 2025			
	Bilateral OTC	Cleared OTC	Exchange-Traded	Total
<b>Designated as accounting hedges</b>				
Interest rate	\$ 3	\$ 1	\$ —	\$ 4
Foreign exchange	24	36	—	60
Total	27	37	—	64
<b>Not designated as accounting hedges</b>				
<b>Economic hedges of loans</b>				
Credit	10	41	—	51
<b>Other derivatives</b>				
Interest rate	112,780	13,552	233	126,565
Credit	5,334	5,950	—	11,284
Foreign exchange	69,758	3,201	49	73,008
Equity	23,812	—	52,365	76,177
Commodity and other	13,037	—	2,902	15,939
Total	224,731	22,744	55,549	303,024
<b>Total gross derivatives</b>	<b>\$ 224,758</b>	<b>\$ 22,781</b>	<b>\$ 55,549</b>	<b>\$ 303,088</b>
<b>Amounts offset</b>				
Counterparty netting	(155,334)	(20,374)	(52,628)	(228,336)
Cash collateral netting	(36,365)	(2,162)	—	(38,527)
<b>Total in Trading assets</b>	<b>\$ 33,059</b>	<b>\$ 245</b>	<b>\$ 2,921</b>	<b>\$ 36,225</b>
<b>Amounts not offset<sup>1</sup></b>				
Financial instruments collateral	(15,989)	—	—	(15,989)
<b>Net amounts</b>	<b>\$ 17,070</b>	<b>\$ 245</b>	<b>\$ 2,921</b>	<b>\$ 20,236</b>
Net amounts for which master netting or collateral agreements are not in place or may not be legally enforceable				\$ 2,816

<i>\$ in millions</i>	Liabilities at March 31, 2025			
	Bilateral OTC	Cleared OTC	Exchange-Traded	Total
<b>Designated as accounting hedges</b>				
Interest rate	\$ 471	\$ —	\$ —	\$ 471
Foreign exchange	51	12	—	63
Total	522	12	—	534
<b>Not designated as accounting hedges</b>				
<b>Economic hedges of loans</b>				
Credit	45	629	—	674
<b>Other derivatives</b>				
Interest rate	102,629	11,842	218	114,689
Credit	5,458	5,514	—	10,972
Foreign exchange	64,762	3,190	216	68,168
Equity	39,848	—	54,441	94,289
Commodity and other	11,322	1	2,962	14,285
Total	224,064	21,176	57,837	303,077
<b>Total gross derivatives</b>	<b>\$ 224,586</b>	<b>\$ 21,188</b>	<b>\$ 57,837</b>	<b>\$ 303,611</b>
<b>Amounts offset</b>				
Counterparty netting	(155,333)	(20,374)	(52,628)	(228,335)
Cash collateral netting	(38,682)	(791)	—	(39,473)
<b>Total in Trading liabilities</b>	<b>\$ 30,571</b>	<b>\$ 23</b>	<b>\$ 5,209</b>	<b>\$ 35,803</b>
<b>Amounts not offset<sup>1</sup></b>				
Financial instruments collateral	(5,475)	—	(3,451)	(8,926)
<b>Net amounts</b>	<b>\$ 25,096</b>	<b>\$ 23</b>	<b>\$ 1,758</b>	<b>\$ 26,877</b>
Net amounts for which master netting or collateral agreements are not in place or may not be legally enforceable				4,733

# Notes to Consolidated Financial Statements (Unaudited)

Assets at December 31, 2024				
<i>\$ in millions</i>	Bilateral	OTC	Cleared OTC	Exchange-Traded
<b>Designated as accounting hedges</b>				
Interest rate	\$	4	\$	—
Foreign exchange		185		122
Total		189		122
<b>Not designated as accounting hedges</b>				
<b>Economic hedges of loans</b>				
Credit		—		28
<b>Other derivatives</b>				
Interest rate		115,520		13,163
Credit		4,711		4,411
Foreign exchange		104,024		4,301
Equity		24,368		—
Commodity and other		14,071		—
Total		262,694		21,903
<b>Total gross derivatives</b>	\$	262,883	\$	22,025
<b>Amounts offset</b>				
Counterparty netting		(188,069)		(20,276)
Cash collateral netting		(38,511)		(1,698)
<b>Total in Trading assets</b>	\$	36,303	\$	51
<b>Amounts not offset<sup>1</sup></b>				
Financial instruments collateral		(17,837)		—
<b>Net amounts</b>	\$	18,466	\$	51
Net amounts for which master netting or collateral agreements are not in place or may not be legally enforceable				
				\$ 3,354
Liabilities at December 31, 2024				
<i>\$ in millions</i>	Bilateral	OTC	Cleared OTC	Exchange-Traded
<b>Designated as accounting hedges</b>				
Interest rate	\$	533	\$	—
Foreign exchange		3		—
Total		536		—
<b>Not designated as accounting hedges</b>				
<b>Economic hedges of loans</b>				
Credit		53		718
<b>Other derivatives</b>				
Interest rate		104,495		13,038
Credit		4,941		3,860
Foreign exchange		100,730		4,085
Equity		42,332		—
Commodity and other		11,584		—
Total		264,135		21,701
<b>Total gross derivatives</b>	\$	264,671	\$	21,701
<b>Amounts offset</b>				
Counterparty netting		(188,070)		(20,276)
Cash collateral netting		(43,126)		(1,200)
<b>Total in Trading liabilities</b>	\$	33,475	\$	225
<b>Amounts not offset<sup>1</sup></b>				
Financial instruments collateral		(6,338)		—
<b>Net amounts</b>	\$	27,137	\$	225
Net amounts for which master netting or collateral agreements are not in place or may not be legally enforceable				
				\$ 4,321

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

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

## Notionals of Derivative Contracts

Assets at March 31, 2025				
<i>\$ in billions</i>	Bilateral	OTC	Cleared OTC	Exchange-Traded
<b>Designated as accounting hedges</b>				
Interest rate	\$	—	\$	135
Foreign exchange		6		2
Total		6		137
<b>Not designated as accounting hedges</b>				
<b>Economic hedges of loans</b>				
Credit		—		—
<b>Other derivatives</b>				
Interest rate		4,170		6,122
Credit		259		215
Foreign exchange		3,805		254
Equity		665		—
Commodity and other		138		—
Total		9,037		6,591
<b>Total gross derivatives</b>	\$	9,043	\$	6,728
<b>Liabilities at March 31, 2025</b>				
<i>\$ in billions</i>	Bilateral	OTC	Cleared OTC	Exchange-Traded
<b>Designated as accounting hedges</b>				
Interest rate	\$	2	\$	219
Foreign exchange		10		1
Total		12		220
<b>Not designated as accounting hedges</b>				
<b>Economic hedges of loans</b>				
Credit		2		22
<b>Other derivatives</b>				
Interest rate		4,265		6,748
Credit		269		192
Foreign exchange		3,981		240
Equity		835		—
Commodity and other		118		—
Total		9,470		7,202
<b>Total gross derivatives</b>	\$	9,482	\$	7,422
<b>Assets at December 31, 2024</b>				
<i>\$ in billions</i>	Bilateral	OTC	Cleared OTC	Exchange-Traded
<b>Designated as accounting hedges</b>				
Interest rate	\$	—	\$	108
Foreign exchange		14		4
Total		14		112
<b>Not designated as accounting hedges</b>				
<b>Economic hedges of loans</b>				
Credit		—		—
<b>Other derivatives</b>				
Interest rate		3,713		4,367
Credit		208		149
Foreign exchange		2,717		171
Equity		591		—
Commodity and other		137		—
Total		7,366		4,687
<b>Total gross derivatives</b>	\$	7,380	\$	4,799

# Notes to Consolidated Financial Statements (Unaudited)

\$ in billions	Liabilities at December 31, 2024			
	Bilateral OTC	Cleared OTC	Exchange-Traded	Total
<b>Designated as accounting hedges</b>				
Interest rate	\$ 2	\$ 193	\$ —	\$ 195
Foreign exchange	1	—	—	1
Total	3	193	—	196
<b>Not designated as accounting hedges</b>				
<b>Economic hedges of loans</b>				
Credit	2	20	—	22
<b>Other derivatives</b>				
Interest rate	3,626	4,468	417	8,511
Credit	230	133	—	363
Foreign exchange	2,763	178	18	2,959
Equity	754	—	826	1,580
Commodity and other	100	—	89	189
Total	7,475	4,799	1,350	13,624
<b>Total gross derivatives</b>	<b>\$ 7,478</b>	<b>\$ 4,992</b>	<b>\$ 1,350</b>	<b>\$ 13,820</b>

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

For a discussion of the Firm's derivative instruments and hedging activities, see Note 6 to the financial statements in the 2024 Form 10-K.

## Gains (Losses) on Accounting Hedges

\$ in millions	Three Months Ended March 31,	
	2025	2024
<b>Fair value hedges—Recognized in Interest income</b>		
Interest rate contracts	\$ (493)	\$ 572
Investment Securities—AFS	503	(552)
<b>Fair value hedges—Recognized in Interest expense</b>		
Interest rate contracts	\$ 2,317	\$ (2,127)
Deposits	(49)	10
Borrowings	(2,272)	2,109
<b>Net investment hedges—Foreign exchange contracts</b>		
Recognized in OCI	\$ (435)	\$ 371
Forward points excluded from hedge effectiveness testing— Recognized in Interest income	17	48
<b>Cash flow hedges—Interest rate contracts<sup>1</sup></b>		
Recognized in OCI	\$ 17	\$ (47)
Less: Realized gains (losses) (pre-tax) reclassified from AOCI to interest income	(5)	(11)
<b>Net change in cash flow hedges included within AOCI</b>	<b>22</b>	<b>(36)</b>

1. During the three months ended March 31, 2025, there were no forecasted transactions that failed to occur. The net gains (losses) associated with cash flow hedges expected to be reclassified from AOCI within 12 months as of March 31, 2025, is approximately \$(21) million. The maximum length of time over which forecasted cash flows are hedged is 32 months.

## Fair Value Hedges—Hedged Items

\$ in millions	At March 31, 2025	At December 31, 2024
<b>Investment Securities—AFS</b>		
Amortized cost basis currently or previously hedged <sup>1</sup>	\$ 54,849	\$ 54,809
Basis adjustments included in amortized cost <sup>2</sup>	\$ (214)	\$ (741)
<b>Deposits</b>		
Carrying amount currently or previously hedged	\$ 27,536	\$ 21,524
Basis adjustments included in carrying amount <sup>2</sup>	\$ 93	\$ 44
<b>Borrowings</b>		
Carrying amount currently or previously hedged	\$ 177,477	\$ 171,834
Basis adjustments included in carrying amount—Outstanding hedges	\$ (7,821)	\$ (10,072)
Basis adjustments included in carrying amount—Terminated hedges	\$ (642)	\$ (648)

- Carrying amount represents the amortized cost. At March 31, 2025 and December 31, 2024, the amortized cost of the portfolio layer method closed portfolios was \$325 million, of which \$ 178 million was designated as hedged. The cumulative amount of basis adjustments was immaterial as of March 31, 2025 and \$(2) million as of December 31, 2024. Refer to Note 2 to the financial statements in the 2024 Form 10-K and Note 7 herein for additional information.
- Hedge accounting basis adjustments are primarily related to outstanding hedges.

## Gains (Losses) on Economic Hedges of Loans

\$ in millions	Three Months Ended March 31,	
	2025	2024
<b>Recognized in Other revenues</b>		
Credit contracts <sup>1</sup>	\$ (17)	\$ (123)

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

## Net Derivative Liabilities and Collateral Posted

\$ in millions	At March 31, 2025	At December 31, 2024
Net derivative liabilities with credit risk-related contingent features	\$ 19,944	\$ 22,414
Collateral posted	14,630	16,252

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

## Incremental Collateral and Termination Payments upon Potential Future Ratings Downgrade

\$ in millions	At March 31, 2025
One-notch downgrade	\$ 255
Two-notch downgrade	437
Bilateral downgrade agreements included in the amounts above <sup>1</sup>	\$ 558

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

The additional collateral or termination payments that may be called in the event of a future credit rating downgrade vary by contract and can be based on ratings by Moody's Investors Service, Inc., S&P Global Ratings and/or other rating

# Notes to Consolidated Financial Statements (Unaudited)

agencies. The previous table shows the future potential collateral amounts and termination payments that could be called or required by counterparties or exchange and clearing organizations in the event of one-notch or two-notch downgrade scenarios based on the relevant contractual downgrade triggers.

## Maximum Potential Payout/Notional of Credit Protection Sold<sup>1</sup>

\$ in billions	Years to Maturity at March 31, 2025				
	< 1	1-3	3-5	Over 5	Total
<b>Single-name CDS</b>					
Investment grade	\$ 16	\$ 33	\$ 40	\$ 15	\$ 104
Non-investment grade	8	16	17	4	45
<b>Total</b>	<b>\$ 24</b>	<b>\$ 49</b>	<b>\$ 57</b>	<b>\$ 19</b>	<b>\$ 149</b>
<b>Index and basket CDS</b>					
Investment grade	\$ 4	\$ 12	\$ 7	\$ 3	\$ 26
Non-investment grade	10	22	172	92	296
<b>Total</b>	<b>\$ 14</b>	<b>\$ 34</b>	<b>\$ 179</b>	<b>\$ 95</b>	<b>\$ 322</b>
<b>Total CDS sold</b>	<b>\$ 38</b>	<b>\$ 83</b>	<b>\$ 236</b>	<b>\$ 114</b>	<b>\$ 471</b>
Other credit contracts	—	—	—	3	3
<b>Total credit protection sold</b>	<b>\$ 38</b>	<b>\$ 83</b>	<b>\$ 236</b>	<b>\$ 117</b>	<b>\$ 474</b>
CDS protection sold with identical protection purchased	\$ 410				

\$ in billions	Years to Maturity at December 31, 2024				
	< 1	1-3	3-5	Over 5	Total
<b>Single-name CDS</b>					
Investment grade	\$ 15	\$ 31	\$ 37	\$ 10	\$ 93
Non-investment grade	7	16	16	1	40
<b>Total</b>	<b>\$ 22</b>	<b>\$ 47</b>	<b>\$ 53</b>	<b>\$ 11</b>	<b>\$ 133</b>
<b>Index and basket CDS</b>					
Investment grade	\$ 3	\$ 12	\$ 10	\$ —	\$ 25
Non-investment grade	11	22	158	16	207
<b>Total</b>	<b>\$ 14</b>	<b>\$ 34</b>	<b>\$ 168</b>	<b>\$ 16</b>	<b>\$ 232</b>
<b>Total CDS sold</b>	<b>\$ 36</b>	<b>\$ 81</b>	<b>\$ 221</b>	<b>\$ 27</b>	<b>\$ 365</b>
Other credit contracts	—	—	—	3	3
<b>Total credit protection sold</b>	<b>\$ 36</b>	<b>\$ 81</b>	<b>\$ 221</b>	<b>\$ 30</b>	<b>\$ 368</b>
CDS protection sold with identical protection purchased	\$ 303				

## Fair Value Asset (Liability) of Credit Protection Sold<sup>1</sup>

\$ in millions	At	
	March 31, 2025	December 31, 2024
<b>Single-name CDS</b>		
Investment grade	\$ 2,029	\$ 1,890
Non-investment grade	512	585
<b>Total</b>	<b>\$ 2,541</b>	<b>\$ 2,475</b>
<b>Index and basket CDS</b>		
Investment grade	\$ 916	\$ 799
Non-investment grade	1,357	489
<b>Total</b>	<b>\$ 2,273</b>	<b>\$ 1,288</b>
<b>Total CDS sold</b>	<b>\$ 4,814</b>	<b>\$ 3,763</b>
Other credit contracts	125	133
<b>Total credit protection sold</b>	<b>\$ 4,939</b>	<b>\$ 3,896</b>

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

## Protection Purchased with CDS

\$ in billions	Notional	
	At March 31, 2025	At December 31, 2024
Single name	\$ 169	\$ 156
Index and basket	288	193
Tranched index and basket	29	28
<b>Total</b>	<b>\$ 486</b>	<b>\$ 377</b>

\$ in millions	Fair Value Asset (Liability)	
	At March 31, 2025	At December 31, 2024
Single name	\$ (2,639)	\$ (2,693)
Index and basket	(1,741)	(654)
Tranched index and basket	(872)	(962)
<b>Total</b>	<b>\$ (5,252)</b>	<b>\$ (4,309)</b>

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

The fair value amounts as shown in the previous tables are prior to cash collateral or counterparty netting. For further information on credit derivatives and other credit contracts, see Note 6 to the financial statements in the 2024 Form 10-K.

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Morgan Stanley

## 7. Investment Securities

### AFS and HTM Securities

\$ in millions	At March 31, 2025			
	Amortized Cost <sup>1</sup>	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
<b>AFS securities</b>				
U.S. Treasury securities	\$ 70,638	\$ 83	\$ 239	\$ 70,482
U.S. agency securities <sup>2</sup>	24,317	5	2,362	21,960
Agency CMBS	5,697	—	349	5,348
State and municipal securities	522	—	14	508
FFELP student loan ABS <sup>3</sup>	596	2	8	590
Unallocated basis adjustment <sup>4</sup>	—	—	—	—
Total AFS securities	101,770	90	2,972	98,888
<b>HTM securities</b>				
U.S. Treasury securities	15,951	—	887	15,064
U.S. agency securities <sup>2</sup>	40,865	28	7,823	33,070
Agency CMBS	1,115	—	72	1,043
Non-agency CMBS	1,463	7	98	1,372
Total HTM securities	59,394	35	8,880	50,549
<b>Total investment securities</b>	<b>\$ 161,164</b>	<b>\$ 125</b>	<b>\$ 11,852</b>	<b>\$ 149,437</b>

\$ in millions	At December 31, 2024			
	Amortized Cost <sup>1</sup>	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
<b>AFS securities</b>				
U.S. Treasury securities	\$ 70,160	\$ 62	\$ 388	\$ 69,834
U.S. agency securities <sup>2</sup>	24,113	6	2,652	21,467
Agency CMBS	5,704	—	388	5,316
State and municipal securities	1,373	18	4	1,387
FFELP student loan ABS <sup>3</sup>	612	1	9	604
Unallocated basis adjustment <sup>4</sup>	(2)	2	—	—
Total AFS securities	101,960	89	3,441	98,608
<b>HTM securities</b>				
U.S. Treasury securities	16,885	—	1,082	15,803
U.S. agency securities <sup>2</sup>	41,582	4	8,592	32,994
Agency CMBS	1,154	—	88	1,066
Non-agency CMBS	1,450	3	113	1,340
Total HTM securities	61,071	7	9,875	51,203
<b>Total investment securities</b>	<b>\$ 163,031</b>	<b>\$ 96</b>	<b>\$ 13,316</b>	<b>\$ 149,811</b>

1. Amounts are net of any ACL.
2. U.S. agency securities consist mainly of agency mortgage pass-through pool securities, CMOs and agency-issued debt.
3. Underlying loans are backed by a guarantee, ultimately from the U.S. Department of Education, of at least 95% of the principal balance and interest outstanding.
4. Represents the amount of unallocated portfolio layer method basis adjustments related to AFS securities hedged in a closed portfolio. Portfolio layer method basis adjustments are not allocated to individual securities. Refer to Note 2 to the financial statements in the 2024 Form 10-K and Note 6 herein for additional information.

### AFS Securities in an Unrealized Loss Position

\$ in millions	At March 31, 2025		At December 31, 2024	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
<b>U.S. Treasury securities</b>				
Less than 12 months	\$ 10,689	\$ 21	\$ 18,338	\$ 65
12 months or longer	15,825	218	19,629	323
Total	26,514	239	37,967	388
<b>U.S. agency securities</b>				
Less than 12 months	1,397	8	765	11
12 months or longer	18,627	2,354	18,996	2,641
Total	20,024	2,362	19,761	2,652
<b>Agency CMBS</b>				
12 months or longer	5,004	349	5,018	388
Total	5,004	349	5,018	388
<b>State and municipal securities</b>				
Less than 12 months	385	10	242	2
12 months or longer	57	4	62	2
Total	442	14	304	4
<b>FFELP student loan ABS</b>				
Less than 12 months	8	—	—	—
12 months or longer	432	8	442	9
Total	440	8	442	9
<b>Total AFS securities in an unrealized loss position</b>				
Less than 12 months	12,479	39	19,345	78
12 months or longer	39,945	2,933	44,147	3,363
Total	\$ 52,424	\$ 2,972	\$ 63,492	\$ 3,441

For AFS securities, the Firm believes there are no securities in an unrealized loss position that have credit losses after performing the analysis described in Note 2 in the 2024 Form 10-K and the Firm expects to recover the amortized cost basis of these securities. Additionally, the Firm does not intend to sell these securities and is not likely to be required to sell these securities prior to recovery of the amortized cost basis. As of March 31, 2025 and December 31, 2024, the securities in an unrealized loss position are predominantly investment grade.

The HTM securities net carrying amounts at March 31, 2025 and December 31, 2024 reflect an ACL of \$59 million and \$52 million, respectively, predominantly related to Non-agency CMBS. See Note 2 in the 2024 Form 10-K for a description of the ACL methodology used for HTM Securities.

As of March 31, 2025 and December 31, 2024, 98% of the Firm's portfolio of HTM securities were investment grade U.S. agency securities, U.S. Treasury securities and Agency CMBS, which were on accrual status and for which there is an underlying assumption of zero credit losses. Non-investment grade HTM securities primarily consisted of certain Non-agency CMBS securities, for which the expected credit losses were insignificant and were predominantly on accrual status at March 31, 2025 and December 31, 2024.

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

## Investment Securities by Contractual Maturity

\$ in millions	At March 31, 2025		
	Amortized Cost <sup>1</sup>	Fair Value	Annualized Average Yield <sup>2,3</sup>
<b>AFS securities</b>			
U.S. Treasury securities:			
Due within 1 year	\$ 19,725	\$ 19,580	2.5 %
After 1 year through 5 years	46,075	46,066	3.8 %
After 5 years through 10 years	4,838	4,836	4.2 %
After 10 years	—	—	— %
Total	70,638	70,482	
U.S. agency securities:			
Due within 1 year	17	17	0.2 %
After 1 year through 5 years	206	198	1.7 %
After 5 years through 10 years	426	394	1.8 %
After 10 years	23,668	21,351	3.4 %
Total	24,317	21,960	
Agency CMBS:			
Due within 1 year	74	72	1.8 %
After 1 year through 5 years	4,153	4,018	1.9 %
After 5 years through 10 years	382	375	1.6 %
After 10 years	1,088	883	1.5 %
Total	5,697	5,348	
State and municipal securities:			
Due within 1 year	27	27	4.9 %
After 1 year through 5 years	203	202	4.7 %
After 5 years through 10 years	47	44	5.3 %
After 10 Years	245	235	4.2 %
Total	522	508	
FFELP student loan ABS:			
Due within 1 year	11	11	5.1 %
After 1 year through 5 years	111	108	5.1 %
After 5 years through 10 years	23	23	5.3 %
After 10 years	451	448	5.2 %
Total	596	590	
Unallocated basis adjustment <sup>4</sup>	—	—	—
Total AFS securities	\$ 101,770	\$ 98,888	3.4 %

\$ in millions	At March 31, 2025		
	Amortized Cost <sup>1</sup>	Fair Value	Annualized Average Yield <sup>2</sup>
<b>HTM securities</b>			
U.S. Treasury securities:			
Due within 1 year	\$ 6,511	\$ 6,417	1.5 %
After 1 year through 5 years	7,382	7,129	2.4 %
After 5 years through 10 years	503	427	1.1 %
After 10 years	1,555	1,091	2.3 %
Total	15,951	15,064	
U.S. agency securities:			
Due within 1 year	—	—	— %
After 1 year through 5 years	9	9	1.9 %
After 5 years through 10 years	205	194	2.1 %
After 10 years	40,651	32,867	2.1 %
Total	40,865	33,070	
Agency CMBS:			
Due within 1 year	377	370	1.4 %
After 1 year through 5 years	530	499	1.3 %
After 5 years through 10 years	157	132	1.6 %
After 10 years	51	42	1.3 %
Total	1,115	1,043	
Non-agency CMBS:			
Due within 1 year	135	118	4.2 %
After 1 year through 5 years	695	665	4.3 %
After 5 years through 10 years	401	361	4.2 %
After 10 years	232	228	7.4 %
Total	1,463	1,372	
Total HTM securities	\$ 59,394	\$ 50,549	2.1 %
<b>Total investment securities</b>	<b>\$ 161,164</b>	<b>\$ 149,437</b>	<b>2.9 %</b>

- Amounts are net of any ACL.
- Annualized average yield is computed using the effective yield, weighted based on the amortized cost of each security. The effective yield is shown pre-tax and excludes the effect of related hedging derivatives.
- At March 31, 2025, the annualized average yield, including the interest rate swap accrual of related hedges, was 2.8% for AFS securities contractually maturing within 1 year and 3.8% for all AFS securities.
- Represents the amount of unallocated portfolio layer method basis adjustments related to AFS securities hedged in a closed portfolio. Portfolio layer method basis adjustments are not allocated to individual securities. Refer to Note 2 to the financial statements in the 2024 Form 10-K and Note 6 herein for additional information.

## Gross Realized Gains (Losses) on Sales of AFS Securities

\$ in millions	Three Months Ended March 31,	
	2025	2024
Gross realized gains	\$ 21	\$ 43
Gross realized (losses)	—	—
<b>Total<sup>1</sup></b>	<b>\$ 21</b>	<b>\$ 43</b>

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

# Notes to Consolidated Financial Statements (Unaudited)

Morgan Stanley

## 8. Collateralized Transactions

### Offsetting of Certain Collateralized Transactions

At March 31, 2025					
\$ in millions	Gross Amounts	Amounts Offset	Balance Sheet Net Amounts	Amounts Not Offset <sup>1</sup>	Net Amounts
<b>Assets</b>					
Securities purchased under agreements to resell	\$ 458,756	\$ (339,708)	\$ 119,048	\$ (117,355)	\$ 1,693
Securities borrowed	194,241	(54,015)	140,226	(133,353)	6,873
<b>Liabilities</b>					
Securities sold under agreements to repurchase	\$ 408,980	\$ (339,708)	\$ 69,272	\$ (63,573)	\$ 5,699
Securities loaned	70,619	(54,015)	16,604	(16,580)	24
<b>Net amounts for which master netting agreements are not in place or may not be legally enforceable</b>					
Securities purchased under agreements to resell					\$ 1,566
Securities borrowed					2,005
Securities sold under agreements to repurchase					3,958

At December 31, 2024					
\$ in millions	Gross Amounts	Amounts Offset	Balance Sheet Net Amounts	Amounts Not Offset <sup>1</sup>	Net Amounts
<b>Assets</b>					
Securities purchased under agreements to resell	\$ 409,635	\$ (291,070)	\$ 118,565	\$ (116,157)	\$ 2,408
Securities borrowed	165,642	(41,783)	123,859	(117,573)	6,286
<b>Liabilities</b>					
Securities sold under agreements to repurchase	\$ 341,137	\$ (291,070)	\$ 50,067	\$ (45,520)	\$ 4,547
Securities loaned	57,009	(41,783)	15,226	(15,211)	15
<b>Net amounts for which master netting agreements are not in place or may not be legally enforceable</b>					
Securities purchased under agreements to resell					\$ 2,054
Securities borrowed					2,079
Securities sold under agreements to repurchase					3,448

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

For further discussion of the Firm's collateralized transactions, see Notes 2 and 8 to the financial statements in the 2024 Form 10-K. For information related to offsetting of derivatives, see Note 6.

### Gross Secured Financing Balances by Remaining Contractual Maturity

At March 31, 2025					
\$ in millions	Overnight and Open	Less than 30 Days	30-90 Days	Over 90 Days	Total
Securities sold under agreements to repurchase	\$ 196,112	\$ 136,728	\$ 34,558	\$ 41,582	\$ 408,980
Securities loaned	55,564	—	485	14,570	70,619
Total included in the offsetting disclosure	\$ 251,676	\$ 136,728	\$ 35,043	\$ 56,152	\$ 479,599
Trading liabilities—Obligation to return securities received as collateral	7,567	—	—	—	7,567
<b>Total</b>	<b>\$ 259,243</b>	<b>\$ 136,728</b>	<b>\$ 35,043</b>	<b>\$ 56,152</b>	<b>\$ 487,166</b>

At December 31, 2024					
\$ in millions	Overnight and Open	Less than 30 Days	30-90 Days	Over 90 Days	Total
Securities sold under agreements to repurchase	\$ 180,793	\$ 104,551	\$ 25,071	\$ 30,722	\$ 341,137
Securities loaned	42,473	—	317	14,219	57,009
Total included in the offsetting disclosure	\$ 223,266	\$ 104,551	\$ 25,388	\$ 44,941	\$ 398,146
Trading liabilities—Obligation to return securities received as collateral	18,067	—	—	—	18,067
<b>Total</b>	<b>\$ 241,333</b>	<b>\$ 104,551</b>	<b>\$ 25,388</b>	<b>\$ 44,941</b>	<b>\$ 416,213</b>

### Gross Secured Financing Balances by Class of Collateral Pledged

\$ in millions	At March 31, 2025	At December 31, 2024
<b>Securities sold under agreements to repurchase</b>		
U.S. Treasury and agency securities	\$ 196,508	\$ 177,464
Other sovereign government obligations	175,107	135,806
Corporate equities	17,175	14,993
Other	20,190	12,874
<b>Total</b>	<b>\$ 408,980</b>	<b>\$ 341,137</b>
<b>Securities loaned</b>		
Other sovereign government obligations	\$ 2,506	\$ 1,805
Corporate equities	66,370	54,144
Other	1,743	1,060
<b>Total</b>	<b>\$ 70,619</b>	<b>\$ 57,009</b>
Total included in the offsetting disclosure	\$ 479,599	\$ 398,146
<b>Trading liabilities—Obligation to return securities received as collateral</b>		
Corporate equities	\$ 7,557	\$ 18,059
Other	10	8
<b>Total</b>	<b>\$ 7,567</b>	<b>\$ 18,067</b>
<b>Total</b>	<b>\$ 487,166</b>	<b>\$ 416,213</b>

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

\$ in millions	At March 31, 2025	At December 31, 2024
Trading assets	\$ 39,331	\$ 30,867

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

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



# Notes to Consolidated Financial Statements (Unaudited)

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## Fair Value of Collateral Received with Right to Sell or Repledge

\$ in millions	At March 31, 2025	At December 31, 2024
Collateral received with right to sell or repledge	\$ 1,029,009	\$ 932,626
Collateral that was sold or repledged <sup>1</sup>	789,978	724,177

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

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

## Securities Segregated for Regulatory Purposes

\$ in millions	At March 31, 2025	At December 31, 2024
Segregated securities <sup>1</sup>	\$ 33,236	\$ 26,329

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

## Customer Margin and Other Lending

\$ in millions	At March 31, 2025	At December 31, 2024
Margin and other lending	\$ 56,848	\$ 55,882

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

For a further discussion of the Firm's margin lending activities, see Note 8 to the financial statements in the 2024 Form 10-K.

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

## Other Secured Financings

The Firm has additional secured liabilities. For a further discussion of other secured financings, see Note 12.

Additionally, for certain secured financing transactions that meet applicable netting criteria, the Firm offset Other secured financing liabilities against financing receivables recorded within Trading assets in the amount of \$1,896 million and \$437 million as of March 31, 2025 and December 31, 2024, respectively.

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

### Loans by Type

\$ in millions	At March 31, 2025		
	HFI Loans	HFS Loans	Total Loans
Corporate	\$ 7,733	\$ 11,994	\$ 19,727
Secured lending facilities	51,329	3,680	55,009
Commercial real estate	8,610	290	8,900
Residential real estate	67,579	—	67,579
Securities-based lending and Other	98,674	147	98,821
Total loans	233,925	16,111	250,036
ACL	(1,133)	—	(1,133)
Total loans, net	\$ 232,792	\$ 16,111	\$ 248,903
Loans to non-U.S. borrowers, net	\$ 26,936	\$ 7,064	\$ 34,000

\$ in millions	At December 31, 2024		
	HFI Loans	HFS Loans	Total Loans
Corporate	\$ 6,889	\$ 9,183	\$ 16,072
Secured lending facilities	48,842	2,507	51,349
Commercial real estate	8,412	628	9,040
Residential real estate	66,738	—	66,738
Securities-based lending and Other	96,019	1	96,020
Total loans	226,900	12,319	239,219
ACL	(1,066)	—	(1,066)
Total loans, net	\$ 225,834	\$ 12,319	\$ 238,153
Loans to non-U.S. borrowers, net	\$ 23,335	\$ 4,763	\$ 28,098

For additional information on the Firm's held-for-investment and held-for-sale loan portfolios, see Note 9 to the financial statements in the 2024 Form 10-K.

### Loans by Interest Rate Type

\$ in millions	At March 31, 2025		At December 31, 2024	
	Fixed Rate	Floating or Adjustable Rate	Fixed Rate	Floating or Adjustable Rate
Corporate	\$ 11	\$ 19,715	\$ —	\$ 16,071
Secured lending facilities	—	55,008	—	51,349
Commercial real estate	240	8,661	—	9,041
Residential real estate	31,327	36,252	31,014	35,724
Securities-based lending and Other	24,890	73,932	25,478	70,542
Total loans, before ACL	\$ 56,468	\$ 193,568	\$ 56,492	\$ 182,727

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



# Notes to Consolidated Financial Statements (Unaudited)

Morgan Stanley

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

	At March 31, 2025			At December 31, 2024		
	Corporate					
<i>\$ in millions</i>	IG	NIG	Total	IG	NIG	Total
Revolving	\$ 3,084	\$ 4,422	\$ 7,506	\$ 2,668	\$ 3,963	\$ 6,631
2025	—	—	—			
2024	76	50	126	76	58	134
2023	—	50	50	—	50	50
2022	—	26	26	—	25	25
2021	15	—	15	15	—	15
Prior	9	1	10	31	3	34
<b>Total</b>	<b>\$ 3,184</b>	<b>\$ 4,549</b>	<b>\$ 7,733</b>	<b>\$ 2,790</b>	<b>\$ 4,099</b>	<b>\$ 6,889</b>

	At March 31, 2025			At December 31, 2024		
	Secured Lending Facilities					
<i>\$ in millions</i>	IG	NIG	Total	IG	NIG	Total
Revolving	\$ 11,829	\$ 29,083	\$ 40,912	\$ 11,405	\$ 27,753	\$ 39,158
2025	2	1,354	1,356			
2024	938	3,171	4,109	818	2,863	3,681
2023	588	1,217	1,805	1,371	1,359	2,730
2022	271	1,748	2,019	279	1,909	2,188
2021	—	210	210	—	198	198
Prior	100	818	918	100	787	887
Total	\$ 13,728	\$ 37,601	\$ 51,329	\$ 13,973	\$ 34,869	\$ 48,842

	At March 31, 2025			At December 31, 2024		
	Commercial Real Estate					
<i>\$ in millions</i>	IG	NIG	Total	IG	NIG	Total
Revolving	\$ —	\$ 147	\$ 147	\$ —	\$ 161	\$ 161
2025	—	266	266			
2024	153	2,395	2,548	147	2,202	2,349
2023	356	667	1,023	351	772	1,123
2022	313	1,448	1,761	305	1,488	1,793
2021	170	1,608	1,778	166	1,603	1,769
Prior	—	1,087	1,087	—	1,217	1,217
<b>Total</b>	<b>\$ 992</b>	<b>\$ 7,618</b>	<b>\$ 8,610</b>	<b>\$ 969</b>	<b>\$ 7,443</b>	<b>\$ 8,412</b>

	At March 31, 2025					
	Residential Real Estate					
	by FICO Scores			by LTV Ratio		Total
<i>\$ in millions</i>	≥ 740	680-739	≤ 679	≤ 80%	> 80%	
Revolving	\$ 143	\$ 34	\$ 5	\$ 182	\$ —	\$ 182
2025	1,656	348	30	1,848	186	2,034
2024	8,481	1,592	189	9,284	978	10,262
2023	6,595	1,398	198	7,322	869	8,191
2022	10,172	2,252	368	11,785	1,007	12,792
2021	10,374	2,221	224	11,944	875	12,819
Prior	16,745	4,074	480	19,939	1,360	21,299
<b>Total</b>	<b>\$ 54,166</b>	<b>\$ 11,919</b>	<b>\$ 1,494</b>	<b>\$ 62,304</b>	<b>\$ 5,275</b>	<b>\$ 67,579</b>

	At December 31, 2024					
	Residential Real Estate					
	by FICO Scores			by LTV Ratio		Total
<i>\$ in millions</i>	≥ 740	680-739	≤ 679	≤ 80%	> 80%	
Revolving	\$ 136	\$ 39	\$ 5	\$ 180	\$ —	\$ 180
2024	8,653	1,607	191	9,458	993	10,451
2023	6,778	1,431	201	7,529	881	8,410
2022	10,294	2,298	370	11,941	1,021	12,962
2021	10,510	2,247	228	12,094	891	12,985
Prior	17,088	4,171	491	20,355	1,395	21,750
<b>Total</b>	<b>\$ 53,459</b>	<b>\$ 11,793</b>	<b>\$ 1,486</b>	<b>\$ 61,557</b>	<b>\$ 5,181</b>	<b>\$ 66,738</b>

	At March 31, 2025			
	Securities-based lending <sup>1</sup>	Other <sup>2</sup>		Total
<i>\$ in millions</i>		IG	NIG	
Revolving	\$ 78,213	\$ 6,552	\$ 1,600	\$ 86,365
2025	358	37	300	695
2024	1,464	908	285	2,657
2023	949	370	769	2,088
2022	375	441	1,086	1,902
2021	100	18	534	652
Prior	278	1,360	2,677	4,315
<b>Total</b>	<b>\$ 81,737</b>	<b>\$ 9,686</b>	<b>\$ 7,251</b>	<b>\$ 98,674</b>

	At December 31, 2024			
	Securities-based lending <sup>1</sup>	Other <sup>2</sup>		Total
<i>\$ in millions</i>		IG	NIG	
Revolving	\$ 76,432	\$ 6,342	\$ 1,551	\$ 84,325
2024	1,291	719	453	2,463
2023	949	424	685	2,058
2022	449	472	1,053	1,974
2021	100	14	538	652
Prior	270	1,430	2,847	4,547
<b>Total</b>	<b>\$ 79,491</b>	<b>\$ 9,401</b>	<b>\$ 7,127</b>	<b>\$ 96,019</b>

IG—Investment Grade

NIG—Non-investment Grade

1. Securities-based loans are subject to collateral maintenance provisions, and at March 31, 2025 and December 31, 2024, these loans are predominantly over-collateralized. For more information on the ACL methodology related to securities-based loans, see Note 2 to the financial statements in the 2024 Form 10-K.

2. Other loans primarily include certain loans originated in the tailored lending business within the Wealth Management business segment, which typically consist of bespoke lending arrangements provided to ultra-high worth net clients. These facilities are generally secured by eligible collateral.

## Past Due Loans Held for Investment before Allowance<sup>1</sup>

	At March 31, 2025	At December 31, 2024
<i>\$ in millions</i>		
Commercial real estate	\$ 343	\$ 272
Residential real estate	204	186
Securities-based lending and Other	92	86
<b>Total</b>	<b>\$ 639</b>	<b>\$ 544</b>

1. As of March 31, 2025 and December 31, 2024, the majority of the amounts are 90 days or more past due.

## Nonaccrual Loans Held for Investment before Allowance<sup>1</sup>

	At March 31, 2025	At December 31, 2024
<i>\$ in millions</i>		
Corporate	\$ 164	\$ 108
Secured lending facilities	6	6
Commercial real estate	454	447
Residential real estate	189	160
Securities-based lending and Other	308	298
<b>Total</b>	<b>\$ 1,121</b>	<b>\$ 1,019</b>
Nonaccrual loans without an ACL	\$ 173	\$ 162

1. There were no loans held for investment that were 90 days or more past due and still accruing as of March 31, 2025 and December 31, 2024. For further information on the Firm's nonaccrual policy, see Note 2 to the financial statements in the 2024 Form 10-K.

## Loan Modifications to Borrowers Experiencing Financial Difficulty

The Firm may modify the terms of certain loans for economic or legal reasons related to a borrower's financial difficulties, and these modifications include interest rate reductions,

## Notes to Consolidated Financial Statements (Unaudited)

principal forgiveness, term extensions and other-than-insignificant payment delays or a combination of these aforementioned modifications. Modified loans are typically evaluated individually for allowance for credit losses.

### Modified Loans Held for Investment

Period-end loans held for investment modified during the following periods<sup>1</sup>

\$ in millions	Three Months Ended March 31,			
	2025		2024	
	Amortized Cost	% of Total Loans <sup>2</sup>	Amortized Cost	% of Total Loans <sup>2</sup>
<b>Term Extension</b>				
Corporate	\$ 42	0.5 %	\$ 52	0.7 %
Secured lending facilities	41	0.1 %	—	— %
Commercial real estate	292	3.4 %	127	1.5 %
Securities-based lending and Other	34	— %	41	— %
<b>Total</b>	<b>\$ 409</b>	<b>0.2 %</b>	<b>\$ 220</b>	<b>0.2 %</b>
<b>Other-than-insignificant Payment Delay</b>				
Securities-based lending and Other	\$ 30	— %	—	— %
<b>Total</b>	<b>\$ 30</b>	<b>— %</b>	<b>\$ —</b>	<b>— %</b>
<b>Multiple Modifications - Term Extension and Other-than-insignificant Payment Delay</b>				
Commercial real estate	—	— %	40	0.5 %
<b>Total</b>	<b>\$ —</b>	<b>— %</b>	<b>\$ 40</b>	<b>0.5 %</b>
<b>Total Modifications</b>	<b>\$ 439</b>	<b>0.3 %</b>	<b>\$ 260</b>	<b>0.2 %</b>

1. Lending commitments to borrowers for which the Firm has modified terms of the receivable during the three months ended March 31, 2025 and 2024, were \$214 million and \$301 million, as of March 31, 2025 and 2024, respectively.

2. Percentage of total loans represents the percentage of modified loans to total loans held for investment by loan type.

### Financial Effect of Modifications on Loans Held for Investment

	Three Months Ended March 31, 2025 <sup>1</sup>			
	Term Extension (Months)	Other-than-insignificant Payment Delay (Months)	Principal Forgiveness (\$ millions)	Interest Rate Reduction (%)
<b>Single Modifications</b>				
Corporate	37	0 \$	—	— %
Secured lending facilities	3	0	—	— %
Commercial real estate	1	0	—	— %
Securities-based lending and Other	12	11	—	— %
<b>Multiple Modifications - Term Extension and Other-than-insignificant Payment Delay</b>				
Commercial real estate	16	16 \$	—	— %

	Three Months Ended March 31, 2024 <sup>1</sup>			
	Term Extension (Months)	Other-than-insignificant Payment Delay (Months)	Principal Forgiveness (\$ millions)	Interest Rate Reduction (%)
<b>Single Modifications</b>				
Corporate	30	0 \$	—	— %
Commercial real estate	5	0	—	— %
Securities-based lending and Other	36	0	—	— %
<b>Multiple Modifications - Term Extension and Other-than-insignificant Payment Delay</b>				
Commercial real estate	16	16 \$	—	— %

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

### Past Due Loans Held for Investment Modified in the Last 12 months

\$ in millions	At March 31, 2025		
	30-89 Days Past Due	90+ Days Past Due	Total
Commercial real estate	\$ —	\$ 63	\$ 63

\$ in millions	At March 31, 2024		
	30-89 Days Past Due	90+ days Past Due	Total
Commercial real estate	\$ —	\$ 45	\$ 45

At March 31, 2025, there was one commercial real estate loan held for investment with an amortized cost of \$63 million that defaulted during the three months ended March 31, 2025 and had been modified in the 12 month period prior to default. There were no loans held for investment that defaulted during the three months ended March 31, 2024 that had been modified in the 12 month period prior.

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

\$ in millions	Three Months Ended March 31, 2025					
	Corporate	Secured Lending Facilities	CRE	Residential Real Estate	SBL and Other	Total
<b>ACL—Loans</b>						
Beginning balance	\$ 200	\$ 140	\$ 373	\$ 97	\$ 256	\$ 1,066
Gross charge-offs	—	—	(31)	—	—	(31)
Recoveries	—	—	8	—	—	8
Net (charge-offs)/recoveries	—	—	(23)	—	—	(23)
Provision (release)	2	7	24	23	25	81
Other	3	2	5	—	(1)	9
<b>Ending balance</b>	<b>\$ 205</b>	<b>\$ 149</b>	<b>\$ 379</b>	<b>\$ 120</b>	<b>\$ 280</b>	<b>\$ 1,133</b>
Percent of loans to total loans <sup>1</sup>	3 %	22 %	4 %	29 %	42 %	100 %
<b>ACL—Lending commitments</b>						
Beginning balance	\$ 507	\$ 88	\$ 40	\$ 4	\$ 17	\$ 656
Provision (release)	37	41	(27)	—	3	54
Other	5	1	—	—	2	8
<b>Ending balance</b>	<b>\$ 549</b>	<b>\$ 130</b>	<b>\$ 13</b>	<b>\$ 4</b>	<b>\$ 22</b>	<b>\$ 718</b>
<b>Total ending balance</b>	<b>\$ 754</b>	<b>\$ 279</b>	<b>\$ 392</b>	<b>\$ 124</b>	<b>\$ 302</b>	<b>\$ 1,851</b>

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Three Months Ended March 31, 2024							
\$ in millions	Corporate	Secured Lending Facilities	CRE	Residential Real Estate	SBL and Other	Total	
<b>ACL—Loans</b>							
Beginning balance	\$ 241	\$ 153	\$ 463	\$ 100	\$ 212	\$ 1,169	
Provision (release)	1	(17)	1	(11)	4	(22)	
Other	(1)	(1)	(3)	—	(1)	(6)	
<b>Ending balance</b>	<b>\$ 241</b>	<b>\$ 135</b>	<b>\$ 461</b>	<b>\$ 89</b>	<b>\$ 215</b>	<b>\$ 1,141</b>	
Percent of loans to total loans <sup>1</sup>	4 %	19 %	4 %	30 %	43 %	100 %	
<b>ACL—Lending commitments</b>							
Beginning balance	\$ 431	\$ 70	\$ 26	\$ 4	\$ 20	\$ 551	
Provision (release)	(2)	25	(3)	—	(4)	16	
Other	(3)	(1)	—	—	2	(2)	
<b>Ending balance</b>	<b>\$ 426</b>	<b>\$ 94</b>	<b>\$ 23</b>	<b>\$ 4</b>	<b>\$ 18</b>	<b>\$ 565</b>	
<b>Total ending balance</b>	<b>\$ 667</b>	<b>\$ 229</b>	<b>\$ 484</b>	<b>\$ 93</b>	<b>\$ 233</b>	<b>\$ 1,706</b>	

CRE—Commercial real estate  
SBL—Securities-based lending

1. Percent of loans to total loans represents loans held for investment by loan type to total loans held for investment.

The allowance for credit losses for loans and lending commitments increased during the three months ended March 31, 2025, primarily related to portfolio growth in secured lending facilities and corporate loans, provisions for certain specific loans, including residential real estate loans related to the California wildfires, and deterioration in the macroeconomic outlook. Charge-offs in the current quarter were primarily related to commercial real estate loans.

The base scenario used in our ACL models as of March 31, 2025 was generated using a combination of consensus economic forecasts, forward rates, and internally developed and validated models. This scenario assumes slower economic growth as well as higher interest rates relative to the prior quarter forecast. The revised real GDP growth rates assumed in our ACL models incorporated the weaker economic outlook and conditions as of March 31, 2025. The ACL calculation incorporates key macroeconomic variables, including U.S. real GDP growth rate. The significance of key macroeconomic variables on the ACL calculation varies depending on portfolio composition and economic conditions. Other key macroeconomic variables used in the ACL calculation include corporate credit spreads, interest rates and commercial real estate indices.

For a further discussion of the Firm's loans as well as the Firm's allowance methodology, refer to Notes 2 and 9 to the financial statements in the 2024 Form 10-K.

## Gross Charge-offs by Origination Year

Three Months Ended March 31, 2025							
\$ in millions	Corporate	Secured Lending Facilities	CRE	Residential Real Estate	SBL and Other	Total	
2022	—	—	\$ (10)	\$ —	\$ —	\$ (10)	
2021	—	—	(1)	—	—	(1)	
Prior	—	—	(20)	—	—	(20)	
<b>Total</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (31)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (31)</b>	

CRE—Commercial real estate  
SBL—Securities-based lending

There were no charge-offs during the three months ended March 31, 2024.

## Selected Credit Ratios

	At March 31, 2025	At December 31, 2024
ACL for loans to total HFI loans	0.5 %	0.5 %
Nonaccrual HFI loans to total HFI loans	0.5 %	0.4 %
ACL for loans to nonaccrual HFI loans	101.1 %	104.6 %

## Employee Loans

\$ in millions	At March 31, 2025	At December 31, 2024
Currently employed by the Firm <sup>1</sup>	\$ 4,287	\$ 4,255
No longer employed by the Firm <sup>2</sup>	89	83
Employee loans	\$ 4,376	\$ 4,338
ACL	(115)	(112)
Employee loans, net of ACL	\$ 4,261	\$ 4,226
Remaining repayment term, weighted average in years	5.6	5.6

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

Employee loans are granted in conjunction with a program established primarily to recruit certain Wealth Management financial advisors, are full recourse and generally require periodic repayments, and are due in full upon termination of employment with the Firm. These loans are recorded in Customer and other receivables in the balance sheet. See Note 2 to the financial statements in the 2024 Form 10-K for a description of the CECL allowance methodology, including credit quality indicators, for employee loans.

## 10. Other Assets

### Equity Method Investments

\$ in millions	At March 31, 2025	At December 31, 2024
Investments	\$ 1,984	\$ 1,869
Three Months Ended March 31,		
\$ in millions	2025	2024
Income (loss)	\$ 62	\$ 56

Equity method investments, other than investments in certain fund interests, are summarized above and are included in Other assets in the balance sheet with related income or loss included in Other revenues in the income statement. See "Net

## Notes to Consolidated Financial Statements (Unaudited)

Asset Value Measurements—Fund Interests” in Note 4 for the carrying value of certain of the Firm’s fund interests, which are composed of general and limited partnership interests, as well as any related carried interest.

### Japanese Securities Joint Venture

	Three Months Ended March 31,	
\$ in millions	2025	2024
Income (loss) from investment in MUMSS	\$ 36	\$ 40

For more information on MUMSS and other relationships with MUFG, see Note 11 to the financial statements in the 2024 Form 10-K.

### Tax Equity Investments

The Firm invests in tax equity investment interests which entitle the Firm to a share of tax credits and other income tax benefits generated by the projects underlying the investments.

The Firm accounts for certain renewable energy and other tax equity investments programs using the proportional amortization method.

### Tax Equity Investments under the Proportional Amortization Method

\$ in millions	At March 31, 2025	At December 31, 2024
Low-income housing	\$ 1,847	\$ 1,787
Renewable energy and other	25	67
<b>Total</b> <sup>1,2</sup>	<b>\$ 1,872</b>	<b>\$ 1,854</b>

1. Amounts include unfunded equity contributions of \$ 648 million and \$613 million as of March 31, 2025 and December 31, 2024, respectively. The corresponding liabilities for the commitments to fund these equity contributions are recorded in Other liabilities and accrued expenses. The majority of these commitments are expected to be funded within 5 years.
2. Amounts exclude \$48 million and \$48 million as of March 31, 2025 and December 31, 2024, respectively, of tax equity investments within programs for which the Firm elected the proportional amortization method that do not meet the conditions to apply the proportional amortization method, which are accounted for as equity method investments.

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

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

	Three Months Ended March 31,	
\$ in millions	2025	2024
Income tax credits and other income tax benefits	\$ 75	\$ 75
Proportional amortization	(62)	(60)
<b>Net benefits</b>	<b>\$ 13</b>	<b>\$ 15</b>

## 11. Deposits

### Deposits

\$ in millions	At March 31, 2025	At December 31, 2024
Savings and demand deposits	\$ 301,890	\$ 299,898
Time deposits	79,673	76,109
<b>Total</b>	<b>\$ 381,563</b>	<b>\$ 376,007</b>
Deposits subject to FDIC insurance	\$ 304,589	\$ 298,351
Deposits not subject to FDIC insurance	\$ 76,974	\$ 77,656

### Time Deposit Maturities

\$ in millions	At March 31, 2025
2025	\$ 28,663
2026	24,531
2027	12,662
2028	7,548
2029	4,840
Thereafter	1,429
<b>Total</b>	<b>\$ 79,673</b>

## 12. Borrowings and Other Secured Financings

### Borrowings

\$ in millions	At March 31, 2025	At December 31, 2024
Original maturities of one year or less	\$ 8,393	\$ 4,512
<b>Original maturities greater than one year</b>		
Senior	\$ 283,049	\$ 270,594
Subordinated	13,948	13,713
<b>Total greater than one year</b>	<b>\$ 296,997</b>	<b>\$ 284,307</b>
<b>Total</b>	<b>\$ 305,390</b>	<b>\$ 288,819</b>
Weighted average stated maturity, in years <sup>1</sup>	6.6	6.6

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

### Other Secured Financings

\$ in millions	At March 31, 2025	At December 31, 2024
Original maturities:		
One year or less	\$ 15,332	\$ 17,133
Greater than one year	6,935	4,469
<b>Total</b>	<b>\$ 22,267</b>	<b>\$ 21,602</b>
Transfers of assets accounted for as secured financings	\$ 11,589	\$ 10,275

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

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

# Notes to Consolidated Financial Statements (Unaudited)

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## 13. Commitments, Guarantees and Contingencies

### Commitments

\$ in millions	Years to Maturity at March 31, 2025				Total
	Less than 1	1-3	3-5	Over 5	
Lending:					
Corporate	\$ 14,629	\$ 40,433	\$ 67,573	\$ 7,491	\$ 130,126
Secured lending facilities	6,480	7,232	8,489	6,228	28,429
Commercial and Residential real estate	72	134	133	430	769
Securities-based lending and Other	16,222	3,688	372	454	20,736
Forward-starting secured financing receivables <sup>1</sup>	200,590	1,196	—	—	201,786
Central counterparty	300	—	—	20,979	21,279
Underwriting	89	—	—	—	89
Investment activities	1,823	82	140	368	2,413
Letters of credit and other financial guarantees	30	—	—	4	34
<b>Total</b>	<b>\$ 240,235</b>	<b>\$ 52,765</b>	<b>\$ 76,707</b>	<b>\$ 35,954</b>	<b>\$ 405,661</b>
Lending commitments participated to third parties					\$ 11,418

1. These amounts primarily include secured financing receivables yet to settle as of March 31, 2025, with settlement generally occurring within three business days. These amounts also include commitments to enter into certain collateralized financing transactions.

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

For a further description of these commitments, refer to Note 14 to the financial statements in the 2024 Form 10-K.

### Guarantees

	At March 31, 2025				Carrying Amount Asset (Liability)
	Maximum Potential Payout/Notional of Obligations by Years to Maturity				
<i>\$ in millions</i>	Less than 1	1-3	3-5	Over 5	
Non-credit derivatives <sup>1</sup>	\$ 1,395,280	\$ 648,411	\$ 210,570	\$ 515,558	\$ (42,768)
Standby letters of credit and other financial guarantees issued <sup>2,3</sup>	1,613	736	1,249	2,556	14
Liquidity facilities	2,432	—	—	—	2
Whole loan sales guarantees	50	34	—	23,050	—
Securitization representations and warranties <sup>4</sup>	—	—	—	90,735	—
General partner guarantees	191	133	74	14	(99)
Client clearing guarantees	1,257	—	—	—	—

1. The carrying amounts of derivative contracts that meet the accounting definition of a guarantee are shown on a gross basis. For further information on derivatives contracts, see Note 6.

2. These amounts include certain issued standby letters of credit participated to third parties, totaling \$0.5 billion of notional and collateral/recourse, due to the nature of the Firm's obligations under these arrangements.

3. As of March 31, 2025, the carrying amount of standby letters of credit and other financial guarantees issued includes an allowance for credit losses of \$56 million.

4. Related to commercial, residential mortgage and asset backed securitizations.

The Firm has obligations under certain guarantee arrangements, including contracts and indemnification agreements, that contingently require the Firm to make

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

For more information on the nature of the obligations and related business activities for our guarantees, see Note 14 to the financial statements in the 2024 Form 10-K.

### Other Guarantees and Indemnities

In the normal course of business, the Firm provides guarantees and indemnifications in a variety of transactions. These provisions generally are standard contractual terms. Certain of these guarantees and indemnifications related to indemnities, market value guarantees, exchange and clearinghouse member guarantees, futures and over-the-counter derivatives clearing guarantees and merger and acquisition guarantees are described in Note 14 to the financial statements in the 2024 Form 10-K.

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

### Finance Subsidiary

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

### Contingencies

#### Legal

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

indemnification obligations. These actions have included, but are not limited to, antitrust claims, claims under various false claims act statutes, and matters arising from our wealth management businesses, sales and trading businesses, and our activities in the capital markets.

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

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

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

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

questions relevant to the proceedings or investigations in question.

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

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

#### **Antitrust Related Matters**

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

Beginning in February of 2016, the Firm was named as a defendant in multiple purported antitrust class actions now consolidated into a single proceeding in the United States District Court for the Southern District of New York ("SDNY") styled *In Re: Interest Rate Swaps Antitrust Litigation*. Plaintiffs allege, inter alia, that the Firm, together with a number of other financial institution defendants, violated U.S. and New York state antitrust laws from 2008 through December of 2016 in connection with alleged efforts to prevent the development of electronic exchange-based platforms for interest rate swaps trading. Complaints were filed both on behalf of a purported class of investors who purchased interest rate swaps from defendants, as well as on behalf of three operators of swap execution facilities that allegedly were thwarted by the defendants in their efforts to develop such platforms. The consolidated complaints seek, inter alia, certification of the investor class of plaintiffs and treble damages. On July 28, 2017, the court granted in part and denied in part the defendants' motion to dismiss the complaints. On December 15, 2023, the court denied the class plaintiffs' motion for class certification. On December 29, 2023, the class plaintiffs petitioned the United States Court of Appeals for the Second Circuit for leave to appeal that decision. On February 28, 2024, the parties reached an agreement in principle to settle the class claims. On July 11,



2024, the court granted preliminary approval of the settlement.

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

## European Matters

### Tax

In matters styled *Case number 15/3637* and *Case number 15/4353*, the Dutch Tax Authority ("Dutch Authority") challenged in the Dutch courts the prior set-off by the Firm of approximately €124 million (approximately \$134 million) plus accrued interest of withholding tax credits against the Firm's corporation tax liabilities for the tax years 2007 to 2012. The Dutch Authority alleged that the Firm was not entitled to receive the withholding tax credits on the basis, inter alia, that a Firm subsidiary did not hold legal title to certain securities subject to withholding tax on the relevant dates. On April 26, 2018, the District Court in Amsterdam issued a decision dismissing the Dutch Authority's claims with respect to certain of the tax years in dispute. On May 12, 2020, the Court of Appeal in Amsterdam granted the Dutch Authority's appeal in matters re-styled *Case number 18/00318* and *Case number 18/00319*. On January 19, 2024, the Dutch High Court granted the Firm's appeal in matters re-styled *Case number 20/01884* and referred the case to the Court of Appeal in The Hague. On November 11, 2024, the Firm reached an agreement to settle the Dutch Authority's challenges for the tax years 2007 to 2012 and made payment of the prior set-off amounts and interest indicated above. The case has been withdrawn.

On June 22, 2021, Dutch criminal authorities sought various documents in connection with an investigation of the Firm related to the civil claims asserted by the Dutch Authority concerning the accuracy of the Firm subsidiary's tax returns for 2007 to 2012. The Dutch criminal authorities have requested additional information, and the Firm is continuing

to respond to them in connection with their ongoing investigation, and is engaging with them as the criminal process progresses.

### U.K. Government Bond Matter

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

### Other

On August 13, 2021, the plaintiff in *Camelot Event Driven Fund, a Series of Frank Funds Trust v. Morgan Stanley & Co. LLC, et al.* filed in the Supreme Court of the State of New York, New York County ("Supreme Court of NY") a purported class action complaint alleging violations of federal securities laws against ViacomCBS ("Viacom"), certain of its officers and directors, and the underwriters, including the Firm, of two March 2021 Viacom offerings: a \$1.7 billion Viacom Class B Common Stock offering and a \$1 billion offering of 5.75% Series A Mandatory Convertible Preferred Stock (collectively, the "Offerings"). The complaint seeks certification of the class of plaintiffs and unspecified compensatory damages and alleges, inter alia, that the Viacom offering documents for both issuances contained material misrepresentations and omissions because they did not disclose that certain of the underwriters, including the Firm, had prime brokerage relationships and/or served as counterparties to certain derivative transactions with Archegos Capital Management LP ("Archegos"), a fund with significant exposure to Viacom securities across multiple prime brokers. The complaint also alleges that the offering documents did not adequately disclose the risks associated with Archegos's concentrated Viacom positions at the various prime brokers, including that the unwind of those positions could have a deleterious impact on the stock price of Viacom. On November 5, 2021, the complaint was amended to add allegations that defendants failed to disclose that certain

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underwriters, including the Firm, had intended to unwind Archegos's Viacom positions while simultaneously distributing the Offerings. On February 6, 2023, the court issued a decision denying motions to dismiss as to the Firm and the other underwriters, but granting the motion to dismiss as to Viacom and the Viacom individual defendants. On February 15, 2023, the underwriters, including the Firm, filed their notices of appeal of the denial of their motions to dismiss. On March 10, 2023, the plaintiff appealed the dismissal of Viacom and the individual Viacom defendants. On April 4, 2024, the Appellate Division upheld the lower court's decision as to the Firm and other underwriter defendants that had prime brokerage relationships and/or served as counterparties to certain derivative transactions with Archegos, dismissed the remaining underwriters, and upheld the dismissal of Viacom and its officers and directors. On July 25, 2024, the Appellate Division denied the plaintiff's and the Firm's respective motions for leave to reargue or appeal the April 4, 2024 decision. On January 4, 2024, the court granted the plaintiff's motion for class certification, which the defendants appealed. In February of 2025, the parties reached an agreement in principle to settle the litigation. On April 3, 2025, the court granted preliminary approval of the settlement.

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

Beginning in February of 2024, Morgan Stanley Smith Barney LLC ("MSSB") and E\*TRADE Securities LLC ("E\*TRADE Securities"), among others, have been named as defendants in multiple putative class actions pending in the federal district courts for the District of New Jersey and SDNY. The class action claims have been brought on behalf of brokerage, advisory and retirement account holders, alleging various contractual, fiduciary, and statutory claims (including under the Racketeer Influenced and Corrupt Organizations Act, 18 U.S.C. §1962(c)-(d)) that MSSB and/or E\*TRADE Securities failed to pay a reasonable rate of interest on its cash sweep products. The cases are at an early stage with motions for consolidation and transfer currently pending. Together, the complaints seek, inter alia, certification of a class of plaintiffs, unspecified compensatory damages, equitable and injunctive relief, and treble damages.

The Firm was engaged with and responded to requests for information from the Enforcement Division of the SEC regarding advisory account cash balances swept to the affiliate bank deposit program and compliance with the Investment Advisers Act of 1940, and is responding to requests from a state securities regulator regarding brokerage account cash balances swept to the affiliate bank deposit program. On March 11, 2025, the Enforcement Division of the SEC informed the Firm that it had concluded its investigation and did not intend to recommend an enforcement action against the Firm.

### 14. Variable Interest Entities and Securitization Activities

#### Consolidated VIE Assets and Liabilities by Type of Activity

\$ in millions	At March 31, 2025		At December 31, 2024	
	VIE Assets	VIE Liabilities	VIE Assets	VIE Liabilities
MABS <sup>1</sup>	\$ 389	\$ 223	\$ 575	\$ 236
Investment vehicles <sup>2</sup>	497	289	378	189
MTOB	485	461	619	578
Other	132	6	156	4
<b>Total</b>	<b>\$ 1,503</b>	<b>\$ 979</b>	<b>\$ 1,728</b>	<b>\$ 1,007</b>

MTOB—Municipal tender option bonds

1. Amounts include transactions backed by residential mortgage loans, commercial mortgage loans and other types of assets, including consumer or commercial assets and may be in loan or security form.

The value of assets is determined based on the fair value of the liabilities and the interests owned by the Firm in such VIEs as the fair values for the liabilities and interests owned are more observable.

2. Amounts include investment funds and CLOs.



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## Consolidated VIE Assets and Liabilities by Balance Sheet Caption

	At March 31, 2025	At December 31, 2024
<i>\$ in millions</i>		
<b>Assets</b>		
Cash and cash equivalents	\$ 27	\$ 37
Trading assets at fair value	1,258	1,395
Investment securities	196	278
Customer and other receivables	20	16
Other assets	2	2
<b>Total</b>	<b>\$ 1,503</b>	<b>\$ 1,728</b>
<b>Liabilities</b>		
Trading liabilities at fair value	\$ 1	—
Other secured financings	883	921
Other liabilities and accrued expenses	91	82
Borrowings	4	4
<b>Total</b>	<b>\$ 979</b>	<b>\$ 1,007</b>
Noncontrolling interests	\$ 61	\$ 42

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

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

## Non-consolidated VIEs

	At March 31, 2025				
	MABS <sup>1</sup>	CDO	MTOB	OSF	Other <sup>2</sup>
<i>\$ in millions</i>					
VIE assets (UPB)	\$ 204,184	\$ 2,710	\$ 3,615	\$ 3,821	\$ 78,188
<b>Maximum exposure to loss<sup>3</sup></b>					
Debt and equity interests	\$ 32,048	\$ 110	—	\$ 2,441	\$ 12,229
Derivative and other contracts	—	—	2,432	—	4,427
Commitments, guarantees and other	10,230	—	—	—	213
<b>Total</b>	<b>\$ 42,278</b>	<b>\$ 110</b>	<b>\$ 2,432</b>	<b>\$ 2,441</b>	<b>\$ 16,869</b>
<b>Carrying value of variable interests—Assets</b>					
Debt and equity interests	\$ 32,048	\$ 110	—	\$ 1,873	\$ 12,198
Derivative and other contracts	—	—	6	—	1,856
<b>Total</b>	<b>\$ 32,048</b>	<b>\$ 110</b>	<b>\$ 6</b>	<b>\$ 1,873</b>	<b>\$ 14,054</b>
Additional VIE assets owned <sup>4</sup>					\$ 16,144
<b>Carrying value of variable interests—Liabilities</b>					
Derivative and other contracts	\$ —	\$ —	\$ 3	\$ —	\$ 451
<b>Total</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 3</b>	<b>\$ —</b>	<b>\$ 451</b>

	At December 31, 2024				
	MABS <sup>1</sup>	CDO	MTOB	OSF	Other <sup>2</sup>
<i>\$ in millions</i>					
VIE assets (UPB)	\$ 179,686	\$ 1,621	\$ 3,654	\$ 3,603	\$ 74,665
<b>Maximum exposure to loss<sup>3</sup></b>					
Debt and equity interests	\$ 26,974	\$ 62	—	\$ 2,267	\$ 12,097
Derivative and other contracts	—	—	2,454	—	3,936
Commitments, guarantees and other	8,554	—	—	—	535
<b>Total</b>	<b>\$ 35,528</b>	<b>\$ 62</b>	<b>\$ 2,454</b>	<b>\$ 2,267</b>	<b>\$ 16,568</b>
<b>Carrying value of variable interests—Assets</b>					
Debt and equity interests	\$ 26,974	\$ 62	—	\$ 1,821	\$ 12,067
Derivative and other contracts	—	—	6	—	1,772
<b>Total</b>	<b>\$ 26,974</b>	<b>\$ 62</b>	<b>\$ 6</b>	<b>\$ 1,821</b>	<b>\$ 13,839</b>
Additional VIE assets owned <sup>4</sup>					\$ 15,777
<b>Carrying value of variable interests—Liabilities</b>					
Derivative and other contracts	\$ —	\$ —	\$ 4	\$ —	\$ 448

OSF—Other structured financings

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

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

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

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

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

# Notes to Consolidated Financial Statements (Unaudited)

## Detail of Mortgage- and Asset-Backed Securitization Assets

	At March 31, 2025		At December 31, 2024	
<i>\$ in millions</i>	UPB	Debt and Equity Interests	UPB	Debt and Equity Interests
Residential mortgages	\$ 17,831	\$ 3,176	\$ 17,316	\$ 2,497
Commercial mortgages	84,923	9,877	82,730	8,445
U.S. agency collateralized mortgage obligations	57,053	6,449	39,317	6,260
Other consumer or commercial loans	44,377	12,546	40,323	9,772
<b>Total</b>	<b>\$ 204,184</b>	<b>\$ 32,048</b>	<b>\$ 179,686</b>	<b>\$ 26,974</b>

## Transferred Assets with Continuing Involvement

	At March 31, 2025				
<i>\$ in millions</i>	RML	CML	U.S. Agency CMO	CLN and Other <sup>1</sup>	
SPE assets (UPB) <sup>2,3</sup>	\$ 8,384	\$ 76,839	\$ 18,899	\$ 13,911	
<b>Retained interests</b>					
Investment grade	\$ 277	\$ 530	\$ 802	\$ —	
Non-investment grade	202	931	—	116	
<b>Total</b>	<b>\$ 479</b>	<b>\$ 1,461</b>	<b>\$ 802</b>	<b>\$ 116</b>	
<b>Interests purchased in the secondary market<sup>3</sup></b>					
Investment grade	\$ 75	\$ 77	\$ 61	\$ —	
Non-investment grade	16	31	—	—	
<b>Total</b>	<b>\$ 91</b>	<b>\$ 108</b>	<b>\$ 61</b>	<b>\$ —</b>	
Derivative assets	\$ —	\$ —	\$ —	\$ 1,493	
Derivative liabilities	—	—	—	399	

	At December 31, 2024				
<i>\$ in millions</i>	RML	CML	U.S. Agency CMO	CLN and Other <sup>1</sup>	
SPE assets (UPB) <sup>2,3</sup>	\$ 6,989	\$ 78,232	\$ 18,174	\$ 12,725	
<b>Retained interests</b>					
Investment grade	\$ 198	\$ 543	\$ 967	\$ —	
Non-investment grade	175	923	—	71	
<b>Total</b>	<b>\$ 373</b>	<b>\$ 1,466</b>	<b>\$ 967</b>	<b>\$ 71</b>	
<b>Interests purchased in the secondary market<sup>3</sup></b>					
Investment grade	\$ 45	\$ 34	\$ 79	\$ —	
Non-investment grade	5	24	—	—	
<b>Total</b>	<b>\$ 50</b>	<b>\$ 58</b>	<b>\$ 79</b>	<b>\$ —</b>	
Derivative assets	\$ —	\$ —	\$ —	\$ 1,408	
Derivative liabilities	—	—	—	400	

	Fair Value At March 31, 2025		
<i>\$ in millions</i>	Level 2	Level 3	Total
<b>Retained interests</b>			
Investment grade	\$ 998	\$ —	\$ 998
Non-investment grade	84	76	160
<b>Total</b>	<b>\$ 1,082</b>	<b>\$ 76</b>	<b>\$ 1,158</b>
<b>Interests purchased in the secondary market<sup>3</sup></b>			
Investment grade	\$ 213	\$ —	\$ 213
Non-investment grade	25	22	47
<b>Total</b>	<b>\$ 238</b>	<b>\$ 22</b>	<b>\$ 260</b>
Derivative assets	\$ 1,493	\$ —	\$ 1,493
Derivative liabilities	399	—	399

	Fair Value At December 31, 2024		
<i>\$ in millions</i>	Level 2	Level 3	Total
<b>Retained interests</b>			
Investment grade	\$ 1,080	\$ —	\$ 1,080
Non-investment grade	71	50	121
<b>Total</b>	<b>\$ 1,151</b>	<b>\$ 50</b>	<b>\$ 1,201</b>
<b>Interests purchased in the secondary market<sup>3</sup></b>			
Investment grade	\$ 158	\$ —	\$ 158
Non-investment grade	18	11	29
<b>Total</b>	<b>\$ 176</b>	<b>\$ 11</b>	<b>\$ 187</b>
Derivative assets	\$ 1,408	\$ —	\$ 1,408
Derivative liabilities	400	—	400

RML—Residential mortgage loans

CML—Commercial mortgage loans

1. Amounts include CLO transactions managed by unrelated third parties.

2. Amounts include assets transferred by unrelated transferors.

3. Amounts include transactions where the Firm also holds retained interests as part of the transfer.

The previous tables include transactions with SPEs in which the Firm, acting as principal, transferred financial assets with continuing involvement and received sales treatment. The transferred assets are carried at fair value prior to securitization, and any changes in fair value are recognized in the income statement. The Firm may act as underwriter of the beneficial interests issued by these securitization vehicles, for which Investment banking revenues are recognized. The Firm may retain interests in the securitized financial assets as one or more tranches of the securitization. Certain retained interests are carried at fair value in the balance sheet with changes in fair value recognized in the income statement. Fair value for these interests is measured using techniques that are consistent with the valuation techniques applied to the Firm's major categories of assets and liabilities as described in Note 2 in the 2024 Form 10-K and Note 4 herein. Further, as permitted by applicable guidance, certain transfers of assets where the Firm's only continuing involvement is a derivative are only reported in the following Assets Sold with Retained Exposure table.

## Proceeds from New Securitization Transactions and Sales of Loans

	Three Months Ended March 31,	
<i>\$ in millions</i>	2025	2024
New transactions <sup>1</sup>	\$ 14,310	\$ 6,550
Retained interests	2,780	2,099

1. Net gains on new transactions and sales of corporate loans to CLO entities at the time of the sale were not material for all periods presented.

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

# Notes to Consolidated Financial Statements (Unaudited)

## Assets Sold with Retained Exposure

	At March 31, 2025	At December 31, 2024
<i>\$ in millions</i>		
Gross cash proceeds from sale of assets <sup>1</sup>	\$ 84,321	\$ 92,229
<b>Fair value</b>		
Assets sold	\$ 80,576	\$ 92,580
Derivative assets recognized in the balance sheet	282	998
Derivative liabilities recognized in the balance sheet	4,037	648

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

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

For a discussion of the Firm's VIEs, the determination and structure of VIEs and securitization activities, see Note 15 to the financial statements in the 2024 Form 10-K.

## 15. Regulatory Requirements

### Regulatory Capital Framework and Requirements

For a discussion of the Firm's regulatory capital framework, see Note 16 to the financial statements in the 2024 Form 10-K.

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

**Risk-Based Regulatory Capital.** Risk-based capital ratio requirements apply to Common Equity Tier 1 ("CET1") capital, Tier 1 capital and Total capital (which includes Tier 2 capital), each as a percentage of RWA, and consist of regulatory minimum required ratios plus the Firm's capital buffer requirement. Capital requirements require certain adjustments to, and deductions from, capital for purposes of determining these ratios. At March 31, 2025 and December 31, 2024, the differences between the actual and required ratios were lower under the Standardized Approach.

**CECL Deferral.** Beginning on January 1, 2020, the Firm elected to defer the effect of the adoption of CECL on its risk-based and leverage-based capital amounts and ratios, as well as RWA, adjusted average assets and supplementary leverage exposure calculations, over a five-year transition period. The deferral impacts began to phase in at 25% per year from January 1, 2022, were phased-in at 75% from January 1, 2024 and were fully phased-in from January 1, 2025.

## Capital Buffer Requirements

	At March 31, 2025 and December 31, 2024	
	Standardized	Advanced
<b>Capital buffers</b>		
Capital conservation buffer	—	2.5%
SCB	6.0%	N/A
G-SIB capital surcharge	3.0%	3.0%
CCyB <sup>1</sup>	0%	0%
Capital buffer requirement	9.0%	5.5%

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

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

### Risk-Based Regulatory Capital Ratio Requirements

	At March 31, 2025 and December 31, 2024		
	Regulatory Minimum	Standardized	Advanced
<b>Required ratios<sup>1</sup></b>			
CET1 capital ratio	4.5 %	13.5%	10.0%
Tier 1 capital ratio	6.0 %	15.0%	11.5%
Total capital ratio	8.0 %	17.0%	13.5%

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

# Notes to Consolidated Financial Statements (Unaudited)

Morgan Stanley

## The Firm's Regulatory Capital and Capital Ratios

### Risk-based capital

\$ in millions	Standardized	
	At March 31, 2025	At December 31, 2024
<b>Risk-based capital</b>		
CET1 capital	\$ 76,975	\$ 75,095
Tier 1 capital	86,674	84,790
Total capital	97,772	95,567
Total RWA	502,622	471,834
<b>Risk-based capital ratio</b>		
CET1 capital	15.3 %	15.9 %
Tier 1 capital	17.2 %	18.0 %
Total capital	19.5 %	20.3 %
<b>Required ratio<sup>1</sup></b>		
CET1 capital	13.5 %	13.5 %
Tier 1 capital	15.0 %	15.0 %
Total capital	17.0 %	17.0 %

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

### Leveraged-based capital

\$ in millions	Standardized	
	At March 31, 2025	At December 31, 2024
<b>Leveraged-based capital</b>		
Adjusted average assets <sup>1</sup>	\$ 1,251,047	\$ 1,223,779
Supplementary leverage exposure <sup>2</sup>	1,552,615	1,517,687
<b>Leveraged-based capital ratio</b>		
Tier 1 leverage	6.9 %	6.9 %
SLR	5.6 %	5.6 %
<b>Required ratio<sup>3</sup></b>		
Tier 1 leverage	4.0 %	4.0 %
SLR	5.0 %	5.0 %

1. Adjusted average assets represents the denominator of the Tier 1 leverage ratio and is composed of the average daily balance of consolidated on-balance sheet assets for the quarters ending on the respective balance sheet dates, reduced by disallowed goodwill, intangible assets, investments in covered funds, defined benefit pension plan assets, after-tax gain on sale from assets sold into securitizations, investments in our own capital instruments, certain deferred tax assets and other capital deductions.

2. Supplementary leverage exposure is the sum of Adjusted average assets used in the Tier 1 leverage ratio and other adjustments, primarily: (i) for derivatives, potential future exposure and the effective notional principal amount of sold credit protection offset by qualifying purchased credit protection; (ii) the counterparty credit risk for repo-style transactions; and (iii) the credit equivalent amount for off-balance sheet exposures.

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

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

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

The OCC's regulatory capital framework includes Prompt Corrective Action ("PCA") standards, including "well-capitalized" PCA standards that are based on specified regulatory capital ratio minimums. For the Firm to remain an FHC, its U.S. Bank Subsidiaries must remain well-capitalized in accordance with the OCC's PCA standards. In addition,

failure by the U.S. Bank Subsidiaries to meet minimum capital requirements may result in certain mandatory and discretionary actions by regulators that, if undertaken, could have a direct material effect on the U.S. Bank Subsidiaries' and the Firm's financial statements.

At March 31, 2025 and December 31, 2024, MSBNA and MSPBNA risk-based capital ratios are based on the Standardized Approach rules. Beginning on January 1, 2020, MSBNA and MSPBNA elected to defer the effect of the adoption of CECL on risk-based capital amounts and ratios, as well as RWA, adjusted average assets and supplementary leverage exposure calculations, over a five-year transition period. The deferral impacts began to phase in at 25% per year from January 1, 2022, were phased-in at 75% from January 1, 2024 and were fully phased-in from January 1, 2025.

### MSBNA's Regulatory Capital

\$ in millions	Well-Capitalized Requirement	Required Ratio <sup>1</sup>	At March 31, 2025		At December 31, 2024	
			Amount	Ratio	Amount	Ratio
<b>Risk-based capital</b>						
CET1 capital	6.5 %	7.0 %	\$ 23,477	20.6 %	\$ 22,165	20.1 %
Tier 1 capital	8.0 %	8.5 %	23,477	20.6 %	22,165	20.1 %
Total capital	10.0 %	10.5 %	24,368	21.4 %	22,993	20.9 %
<b>Leverage-based capital</b>						
Tier 1 leverage	5.0 %	4.0 %	\$ 23,477	10.1 %	\$ 22,165	9.7 %
SLR	6.0 %	3.0 %	23,477	7.6 %	22,165	7.4 %

### MSPBNA's Regulatory Capital

\$ in millions	Well-Capitalized Requirement	Required Ratio <sup>1</sup>	At March 31, 2025		At December 31, 2024	
			Amount	Ratio	Amount	Ratio
<b>Risk-based capital</b>						
CET1 capital	6.5 %	7.0 %	\$ 17,318	26.5 %	\$ 16,672	26.1 %
Tier 1 capital	8.0 %	8.5 %	17,318	26.5 %	16,672	26.1 %
Total capital	10.0 %	10.5 %	17,703	27.0 %	17,004	26.6 %
<b>Leverage-based capital</b>						
Tier 1 leverage	5.0 %	4.0 %	\$ 17,318	7.9 %	\$ 16,672	7.7 %
SLR	6.0 %	3.0 %	17,318	7.6 %	16,672	7.5 %

1. Required ratios are inclusive of any buffers applicable as of the date presented. Failure to maintain the buffers would result in restrictions on the ability to make capital distributions, including the payment of dividends.

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

## Other Regulatory Capital Requirements

### MS&Co. Regulatory Capital

\$ in millions	At March 31, 2025		At December 31, 2024	
	Amount	Ratio	Amount	Ratio
Net capital	\$ 18,353		\$ 18,483	
Excess net capital	13,595		13,883	

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

# Notes to Consolidated Financial Statements (Unaudited)

Morgan Stanley

respectively, and is registered as a swap dealer with the CFTC.

As an Alternative Net Capital broker-dealer, and in accordance with Securities Exchange Act of 1934 ("Exchange Act") Rule 15c3-1, Appendix E, MS&Co. is subject to minimum net capital and tentative net capital requirements and operates with capital in excess of its regulatory capital requirements. As a futures commission merchant and registered swap dealer, MS&Co. is subject to CFTC capital requirements. In addition, MS&Co. must notify the SEC if its tentative net capital falls below certain levels. At March 31, 2025 and December 31, 2024, MS&Co. exceeded its net capital requirement and had tentative net capital in excess of the minimum and notification requirements.

## Other Regulated Subsidiaries

Certain other subsidiaries are also subject to various regulatory capital requirements. Such subsidiaries include the following, each of which operated with capital in excess of their respective regulatory capital requirements as of March 31, 2025 and December 31, 2024, as applicable:

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

See Note 16 to the financial statements in the 2024 Form 10-K for further information.

## 16. Total Equity

### Preferred Stock

\$ in millions, except per share data	Shares Outstanding		Carrying Value	
	At March 31, 2025	Liquidation Preference per Share	At March 31, 2025	At December 31, 2024
<b>Series</b>				
A	44,000	\$ 25,000	\$ 1,100	\$ 1,100
C <sup>1</sup>	519,882	1,000	408	408
E	34,500	25,000	862	862
F	34,000	25,000	850	850
I	40,000	25,000	1,000	1,000
K	40,000	25,000	1,000	1,000
L	20,000	25,000	500	500
M	400,000	1,000	430	430
N	3,000	100,000	300	300
O	52,000	25,000	1,300	1,300
P	40,000	25,000	1,000	1,000
Q	40,000	25,000	1,000	1,000
<b>Total</b>			\$ 9,750	\$ 9,750
Shares authorized				30,000,000

1. Series C preferred stock is held by MUFG.

For a description of Series A through Series Q preferred stock, see Note 17 to the financial statements in the 2024

Form 10-K. The Firm's preferred stock has a preference over its common stock upon liquidation. The Firm's preferred stock qualifies as and is included in Tier 1 capital in accordance with regulatory capital requirements (see Note 15).

### Share Repurchases

\$ in millions	Three Months Ended March 31,	
	2025	2024
Repurchases of common stock under the Firm's Share Repurchase Authorization	\$ 1,000	\$ 1,000

On June 28, 2024, the Firm announced that its Board of Directors reauthorized a multi-year repurchase program of up to \$20 billion of outstanding common stock (the "Share Repurchase Authorization"), without a set expiration date, beginning in the third quarter of 2024, which will be exercised from time to time as conditions warrant. For more information on share repurchases, see Note 17 to the financial statements in the 2024 Form 10-K.

### Common Shares Outstanding for Basic and Diluted EPS

in millions	Three Months Ended March 31,	
	2025	2024
Weighted average common shares outstanding, basic	1,584	1,601
Effect of dilutive RSUs and PSUs	16	15
Weighted average common shares outstanding and common stock equivalents, diluted	1,600	1,616
Weighted average antidilutive common stock equivalents (excluded from the computation of diluted EPS)	4	—

# Notes to Consolidated Financial Statements (Unaudited)

## Dividends

\$ in millions, except per share data	Three Months Ended March 31, 2025		Three Months Ended March 31, 2024	
	Per Share <sup>1</sup>	Total	Per Share <sup>1</sup>	Total
<b>Preferred stock series</b>				
A	\$ 329	\$ 14	\$ 392	\$ 17
C	25	13	25	13
E	445	15	445	15
F	430	15	434	15
I	398	16	398	16
K	366	15	366	15
L	305	6	305	6
M <sup>2</sup>	29	12	29	12
N	1,967	6	2,226	7
O	266	14	226	14
P	406	16	406	16
Q	414	16	—	—
<b>Total Preferred stock</b>		<b>\$ 158</b>		<b>\$ 146</b>
<b>Common stock</b>	<b>\$ 0.925</b>	<b>\$ 1,492</b>	<b>\$ 0.85</b>	<b>\$ 1,390</b>

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

## Accumulated Other Comprehensive Income (Loss)<sup>1</sup>

\$ in millions	CTA	AFS Securities	Pension and Other	DVA	Cash Flow Hedges	Total
December 31, 2024	\$ (1,477)	\$ (2,573)	\$ (583)	\$ (2,146)	\$ (35)	\$ (6,814)
OCI during the period	145	358	2	331	17	853
<b>March 31, 2025</b>	<b>\$ (1,332)</b>	<b>\$ (2,215)</b>	<b>\$ (581)</b>	<b>\$ (1,815)</b>	<b>\$ (18)</b>	<b>\$ (5,961)</b>
December 31, 2023	\$ (1,153)	\$ (3,094)	\$ (595)	\$ (1,595)	\$ 16	\$ (6,421)
OCI during the period	(112)	68	4	(568)	(28)	(636)
March 31, 2024	\$ (1,265)	\$ (3,026)	\$ (591)	\$ (2,163)	\$ (12)	\$ (7,057)

1. Amounts are net of tax and noncontrolling interests.

## Components of Period Changes in OCI

\$ in millions	Three Months Ended March 31, 2025				
	Pre-tax Gain (Loss)	Income Tax Benefit (Provision)	After-tax Gain (Loss)	Non-controlling Interests	Net
<b>CTA</b>					
OCI activity	\$ 54	\$ 134	\$ 188	\$ 43	\$ 145
Reclassified to earnings	—	—	—	—	—
<b>Net OCI</b>	<b>\$ 54</b>	<b>\$ 134</b>	<b>\$ 188</b>	<b>\$ 43</b>	<b>\$ 145</b>
<b>Change in net unrealized gains (losses) on AFS securities</b>					
OCI activity	\$ 491	\$ (117)	\$ 374	\$ —	\$ 374
Reclassified to earnings	(21)	5	(16)	—	(16)
<b>Net OCI</b>	<b>\$ 470</b>	<b>\$ (112)</b>	<b>\$ 358</b>	<b>\$ —</b>	<b>\$ 358</b>
<b>Pension and other</b>					
OCI activity	\$ —	\$ —	\$ —	\$ —	\$ —
Reclassified to earnings	5	(3)	2	—	2
<b>Net OCI</b>	<b>\$ 5</b>	<b>\$ (3)</b>	<b>\$ 2</b>	<b>\$ —</b>	<b>\$ 2</b>
<b>Change in net DVA</b>					
OCI activity	\$ 439	\$ (108)	\$ 331	\$ 7	\$ 324
Reclassified to earnings	9	(2)	7	—	7
<b>Net OCI</b>	<b>\$ 448</b>	<b>\$ (110)</b>	<b>\$ 338</b>	<b>\$ 7</b>	<b>\$ 331</b>
<b>Change in fair value of cash flow hedge derivatives</b>					
OCI activity	\$ 17	\$ (4)	\$ 13	\$ —	\$ 13
Reclassified to earnings	5	(1)	4	—	4
<b>Net OCI</b>	<b>\$ 22</b>	<b>\$ (5)</b>	<b>\$ 17</b>	<b>\$ —</b>	<b>\$ 17</b>

\$ in millions	Three Months Ended March 31, 2024				
	Pre-tax Gain (Loss)	Income Tax Benefit (Provision)	After-tax Gain (Loss)	Non-controlling Interests	Net
<b>CTA</b>					
OCI activity	\$ (70)	\$ (103)	\$ (173)	\$ (61)	\$ (112)
Reclassified to earnings	—	—	—	—	—
<b>Net OCI</b>	<b>\$ (70)</b>	<b>\$ (103)</b>	<b>\$ (173)</b>	<b>\$ (61)</b>	<b>\$ (112)</b>
<b>Change in net unrealized gains (losses) on AFS securities</b>					
OCI activity	\$ 132	\$ (32)	\$ 100	\$ —	\$ 100
Reclassified to earnings	(43)	11	(32)	—	(32)
<b>Net OCI</b>	<b>\$ 89</b>	<b>\$ (21)</b>	<b>\$ 68</b>	<b>\$ —</b>	<b>\$ 68</b>
<b>Pension and other</b>					
OCI activity	\$ —	\$ —	\$ —	\$ —	\$ —
Reclassified to earnings	5	(1)	4	—	4
<b>Net OCI</b>	<b>\$ 5</b>	<b>\$ (1)</b>	<b>\$ 4</b>	<b>\$ —</b>	<b>\$ 4</b>
<b>Change in net DVA</b>					
OCI activity	\$ (751)	\$ 180	\$ (571)	\$ 5	\$ (576)
Reclassified to earnings	10	(2)	8	—	8
<b>Net OCI</b>	<b>\$ (741)</b>	<b>\$ 178</b>	<b>\$ (563)</b>	<b>\$ 5</b>	<b>\$ (568)</b>
<b>Change in fair value of cash flow hedge derivatives</b>					
OCI activity	\$ (47)	\$ 11	\$ (36)	\$ —	\$ (36)
Reclassified to earnings	11	(3)	8	—	8
<b>Net OCI</b>	<b>\$ (36)</b>	<b>\$ 8</b>	<b>\$ (28)</b>	<b>\$ —</b>	<b>\$ (28)</b>

## Notes to Consolidated Financial Statements (Unaudited)

Morgan Stanley

### 17. Interest Income and Interest Expense

\$ in millions	Three Months Ended March 31,	
	2025	2024
<b>Interest income</b>		
Cash and cash equivalents	\$ 659	903
Investment securities	1,280	1,197
Loans	3,325	3,305
Securities purchased under agreements to resell <sup>1</sup>	3,416	2,530
Securities borrowed <sup>2</sup>	1,116	1,376
Trading assets, net of Trading liabilities	1,439	1,382
Customer receivables and Other	2,513	2,237
<b>Total interest income</b>	<b>\$ 13,748</b>	<b>\$ 12,930</b>
<b>Interest expense</b>		
Deposits	\$ 2,522	\$ 2,476
Borrowings	3,018	3,223
Securities sold under agreements to repurchase <sup>3</sup>	3,069	2,402
Securities loaned <sup>4</sup>	256	224
Customer payables and Other <sup>5</sup>	2,530	2,809
<b>Total interest expense</b>	<b>\$ 11,395</b>	<b>\$ 11,134</b>
<b>Net interest</b>	<b>\$ 2,353</b>	<b>\$ 1,796</b>

1. Includes interest paid on Securities purchased under agreements to resell.
2. Includes fees paid on Securities borrowed.
3. Includes interest received on Securities sold under agreements to repurchase.
4. Includes fees received on Securities loaned.
5. Includes fees received from Equity Financing customers related to their short transactions, which can be under either margin or securities lending arrangements.

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

#### Accrued Interest

\$ in millions	At March 31,		At December 31,	
	2025		2024	
Customer and other receivables	\$	3,737	\$	3,322
Customer and other payables		3,790		3,938

### 18. Income Taxes

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

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

### 19. Segment, Geographic and Revenue Information

#### Selected Financial Information by Business Segment

\$ in millions	Three Months Ended March 31, 2025				
	IS	WM	IM	I/E	Total
Investment banking	\$ 1,559	\$ 190	\$ —	\$ (38)	\$ 1,711
Trading	5,113	(12)	(7)	17	5,111
Investments	149	33	187	—	369
Commissions and fees <sup>1</sup>	869	695	—	(83)	1,481
Asset management <sup>1,2</sup>	191	4,396	1,451	(75)	5,963
Other	633	123	—	(5)	751
<b>Total non-interest revenues</b>	<b>8,514</b>	<b>5,425</b>	<b>1,631</b>	<b>(184)</b>	<b>15,386</b>
Interest income	10,073	3,959	23	(307)	13,748
Interest expense	9,604	2,057	52	(318)	11,395
Net interest	469	1,902	(29)	11	2,353
<b>Net revenues</b>	<b>\$ 8,983</b>	<b>\$ 7,327</b>	<b>\$ 1,602</b>	<b>\$ (173)</b>	<b>\$ 17,739</b>
<b>Provision for credit losses</b>	<b>91</b>	<b>44</b>	<b>—</b>	<b>—</b>	<b>135</b>
Compensation and benefits <sup>3</sup>	2,854	3,999	668	—	7,521
Non-compensation expenses <sup>3</sup>	2,757	1,333	611	(162)	4,539
<b>Total non-interest expenses</b>	<b>\$ 5,611</b>	<b>\$ 5,332</b>	<b>\$ 1,279</b>	<b>\$ (162)</b>	<b>\$ 12,060</b>
Income before provision for income taxes	3,281	1,951	323	(11)	5,544
Provision for income taxes	696	419	61	(3)	1,173
Net income	2,585	1,532	262	(8)	4,371
Net income applicable to noncontrolling interests	56	—	—	—	56
<b>Net income applicable to Morgan Stanley</b>	<b>\$ 2,529</b>	<b>\$ 1,532</b>	<b>\$ 262</b>	<b>\$ (8)</b>	<b>\$ 4,315</b>
Pre-tax margin <sup>4</sup>	37 %	27 %	20 %	N/M	31 %

\$ in millions	Three Months Ended March 31, 2024				
	IS	WM	IM	I/E	Total
Investment banking	\$ 1,447	\$ 166	\$ —	\$ (24)	\$ 1,589
Trading	4,583	262	(7)	14	4,852
Investments	49	19	69	—	137
Commissions and fees <sup>1</sup>	691	605	—	(69)	1,227
Asset management <sup>1,2</sup>	157	3,829	1,346	(63)	5,269
Other	124	143	3	(4)	266
<b>Total non-interest revenues</b>	<b>7,051</b>	<b>5,024</b>	<b>1,411</b>	<b>(146)</b>	<b>13,340</b>
Interest income	9,308	3,973	26	(377)	12,930
Interest expense	9,343	2,117	60	(386)	11,134
Net interest	(35)	1,856	(34)	9	1,796
<b>Net revenues</b>	<b>\$ 7,016</b>	<b>\$ 6,880</b>	<b>\$ 1,377</b>	<b>\$ (137)</b>	<b>\$ 15,136</b>
<b>Provision for credit losses</b>	<b>2</b>	<b>(8)</b>	<b>—</b>	<b>—</b>	<b>(6)</b>
Compensation and benefits <sup>3</sup>	2,343	3,788	565	—	6,696
Non-compensation expenses <sup>3</sup>	2,320	1,294	571	(134)	4,051
<b>Total non-interest expenses</b>	<b>\$ 4,663</b>	<b>\$ 5,082</b>	<b>\$ 1,136</b>	<b>\$ (134)</b>	<b>\$ 10,747</b>
Income before provision for income taxes	2,351	1,806	241	(3)	4,395
Provision for income taxes	482	403	49	(1)	933
Net income	1,869	1,403	192	(2)	3,462
Net income applicable to noncontrolling interests	50	—	—	—	50
<b>Net income applicable to Morgan Stanley</b>	<b>\$ 1,819</b>	<b>\$ 1,403</b>	<b>\$ 192</b>	<b>\$ (2)</b>	<b>\$ 3,412</b>
Pre-tax margin <sup>4</sup>	34 %	26 %	18 %	N/M	29 %

1. Substantially all revenues are from contracts with customers.
2. Includes certain fees that may relate to services performed in prior periods.



## Notes to Consolidated Financial Statements (Unaudited)

3. The significant expense categories and amounts align with the segment-level information that is regularly provided to the Firm's chief operating decision maker ("CODM").  
4. Pre-tax margin represents income before provision for income taxes as a percentage of net revenues. For a discussion about the Firm's business segments, see Note 22 to the financial statements in the 2024 Form 10-K.

### Detail of Investment Banking Revenues

\$ in millions	Three Months Ended March 31,	
	2025	2024
Institutional Securities Advisory	\$ 563	\$ 461
Institutional Securities Underwriting	996	986
Firm investment banking revenues from contracts with customers	81 %	90 %

### Trading Revenues by Product Type

\$ in millions	Three Months Ended March 31,	
	2025	2024
Interest rate	\$ 1,373	\$ 1,826
Foreign exchange	628	272
Equity <sup>1</sup>	3,027	2,304
Commodity and other	324	595
Credit	(241)	(145)
<b>Total</b>	<b>\$ 5,111</b>	<b>\$ 4,852</b>

1. Dividend income is included within equity contracts.

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

### Investment Management Investments Revenues—Net Cumulative Unrealized Carried Interest

\$ in millions	At March 31, 2025	At December 31, 2024
Net cumulative unrealized performance-based fees at risk of reversing	\$ 855	\$ 796

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

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

\$ in millions	Three Months Ended March 31,	
	2025	2024
Fee waivers	\$ 30	\$ 24

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

### Certain Other Fee Waivers

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

### Other Expenses—Transaction Taxes

\$ in millions	Three Months Ended March 31,	
	2025	2024
Transaction taxes	\$ 266	\$ 206

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

### Net Revenues by Region

\$ in millions	Three Months Ended March 31,	
	2025	2024
Americas	\$ 13,103	\$ 11,567
EMEA	2,291	1,826
Asia	2,345	1,743
<b>Total</b>	<b>\$ 17,739</b>	<b>\$ 15,136</b>

For a discussion about the Firm's geographic net revenues, see Note 22 to the financial statements in the 2024 Form 10-K.

### Revenues Recognized from Prior Services

\$ in millions	Three Months Ended March 31,	
	2025	2024
Non-interest revenues	\$ 595	\$ 476

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



**Notes to Consolidated Financial Statements  
(Unaudited)**

Morgan Stanley

**Receivables from Contracts with Customers**

<i>\$ in millions</i>	<b>At March 31, 2025</b>	<b>At December 31, 2024</b>
Customer and other receivables	\$ 2,515	\$ 2,628

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

**Assets by Business Segment**

<i>\$ in millions</i>	<b>At March 31, 2025</b>	<b>At December 31, 2024</b>
Institutional Securities	\$ 883,719	\$ 796,608
Wealth Management	398,979	400,848
Investment Management	17,598	17,615
<b>Total<sup>1</sup></b>	<b>\$ 1,300,296</b>	<b>\$ 1,215,071</b>

1. Parent assets have been fully allocated to the business segments.

# Financial Data Supplement (Unaudited)

## Average Balances and Interest Rates and Net Interest Income

	Three Months Ended March 31,					
	2025			2024		
	Average Daily Balance	Interest	Annualized Average Rate	Average Daily Balance	Interest	Annualized Average Rate
<i>\$ in millions</i>						
<b>Interest earning assets</b>						
Cash and cash equivalents:						
U.S.	\$ 55,223	\$ 447	3.3 %	\$ 52,696	\$ 633	4.8 %
Non-U.S.	42,083	212	2.0 %	43,661	270	2.5 %
Investment securities <sup>1</sup>	158,395	1,280	3.3 %	153,866	1,197	3.1 %
Loans <sup>1</sup>	241,885	3,325	5.6 %	217,921	3,305	6.1 %
Securities purchased under agreements to resell <sup>2</sup> :						
U.S.	66,638	2,213	13.5 %	52,260	1,496	11.5 %
Non-U.S.	41,448	1,203	11.8 %	49,595	1,034	8.4 %
Securities borrowed <sup>3</sup> :						
U.S.	113,539	1,048	3.7 %	108,288	1,257	4.7 %
Non-U.S.	16,125	68	1.7 %	18,835	119	2.5 %
Trading assets, net of Trading liabilities:						
U.S.	111,891	1,248	4.5 %	107,970	1,175	4.4 %
Non-U.S.	18,435	191	4.2 %	18,329	207	4.5 %
Customer receivables and Other:						
U.S.	60,918	2,006	13.4 %	47,180	1,700	14.5 %
Non-U.S.	16,474	507	12.5 %	17,502	537	12.3 %
<b>Total</b>	<b>\$ 943,054</b>	<b>\$ 13,748</b>	<b>5.9 %</b>	<b>\$ 888,103</b>	<b>\$ 12,930</b>	<b>5.9 %</b>
<b>Interest bearing liabilities</b>						
Deposits <sup>1</sup>	\$ 370,745	\$ 2,522	2.8 %	\$ 346,946	\$ 2,476	2.9 %
Borrowings <sup>1,4</sup>	282,999	3,018	4.3 %	251,956	3,223	5.1 %
Securities sold under agreements to repurchase <sup>5,7</sup> :						
U.S.	18,108	1,786	40.0 %	24,410	1,221	20.1 %
Non-U.S.	50,533	1,283	10.3 %	58,316	1,181	8.1 %
Securities loaned <sup>6,7</sup> :						
U.S.	10,093	29	1.2 %	5,790	17	1.2 %
Non-U.S.	6,048	227	15.2 %	8,979	207	9.3 %
Customer payables and Other <sup>8</sup> :						
U.S.	119,309	1,776	6.0 %	124,018	1,891	6.1 %
Non-U.S.	58,052	754	5.3 %	64,756	918	5.7 %
<b>Total</b>	<b>\$ 915,887</b>	<b>\$ 11,395</b>	<b>5.0 %</b>	<b>\$ 885,171</b>	<b>\$ 11,134</b>	<b>5.1 %</b>
<b>Net interest income and net interest rate spread</b>		<b>\$ 2,353</b>	<b>0.9 %</b>		<b>\$ 1,796</b>	<b>0.8 %</b>

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

## Glossary of Common Terms and Acronyms

<b>2024 Form 10-K</b>	Annual report on Form 10-K for year ended December 31, 2024 filed with the SEC	<b>IRS</b>	Internal Revenue Service
<b>ABS</b>	Asset-backed securities	<b>IS</b>	Institutional Securities
<b>ACL</b>	Allowance for credit losses	<b>LCR</b>	Liquidity coverage ratio, as adopted by the U.S. banking agencies
<b>AFS</b>	Available-for-sale	<b>LTV</b>	Loan-to-value
<b>AML</b>	Anti-money laundering	<b>M&amp;A</b>	Merger, acquisition and restructuring transaction
<b>AOCI</b>	Accumulated other comprehensive income (loss)	<b>MSBNA</b>	Morgan Stanley Bank, N.A.
<b>AUM</b>	Assets under management or supervision	<b>MS&amp;Co.</b>	Morgan Stanley & Co. LLC
<b>Balance sheet</b>	Consolidated balance sheet	<b>MSCG</b>	Morgan Stanley Capital Group Inc.
<b>BHC</b>	Bank holding company	<b>MSCS</b>	Morgan Stanley Capital Services LLC
<b>bps</b>	Basis points; one basis point equals 1/100th of 1%	<b>MSESE</b>	Morgan Stanley Europe SE
<b>Cash flow statement</b>	Consolidated cash flow statement	<b>MSIP</b>	Morgan Stanley & Co. International plc
<b>CCAR</b>	Comprehensive Capital Analysis and Review	<b>MSMS</b>	Morgan Stanley MUFG Securities Co., Ltd.
<b>CCyB</b>	Countercyclical capital buffer	<b>MSPBNA</b>	Morgan Stanley Private Bank, National Association
<b>CDO</b>	Collateralized debt obligation(s), including Collateralized loan obligation(s)	<b>MSSB</b>	Morgan Stanley Smith Barney LLC
<b>CDS</b>	Credit default swaps	<b>MUFG</b>	Mitsubishi UFJ Financial Group, Inc.
<b>CECL</b>	Current Expected Credit Losses, as calculated under the Financial Instruments—Credit Losses accounting update	<b>MUMSS</b>	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
<b>CET1</b>	Common Equity Tier 1	<b>MWh</b>	Megawatt hour
<b>CFTC</b>	U.S. Commodity Futures Trading Commission	<b>N/A</b>	Not Applicable
<b>CLN</b>	Credit-linked note(s)	<b>N/M</b>	Not Meaningful
<b>CLO</b>	Collateralized loan obligation(s)	<b>NAV</b>	Net asset value
<b>CMBS</b>	Commercial mortgage-backed securities	<b>Non-GAAP</b>	Non-generally accepted accounting principles in the U.S.
<b>CMO</b>	Collateralized mortgage obligation(s)	<b>NSFR</b>	Net stable funding ratio, as adopted by the U.S. banking agencies
<b>CRE</b>	Commercial real estate	<b>OCC</b>	Office of the Comptroller of the Currency
<b>CRM</b>	Credit Risk Management Department	<b>OCI</b>	Other comprehensive income (loss)
<b>CTA</b>	Cumulative foreign currency translation adjustments	<b>OTC</b>	Over-the-counter
<b>DCP</b>	Employee deferred cash-based compensation plans linked to investment performance	<b>PSU</b>	Performance-based stock unit
<b>DCP investments</b>	Investments associated with certain DCP	<b>ROE</b>	Return on average common equity
<b>DVA</b>	Debt valuation adjustment	<b>ROTCE</b>	Return on average tangible common equity
<b>EBITDA</b>	Earnings before interest, taxes, depreciation and amortization	<b>ROU</b>	Right-of-use
<b>EMEA</b>	Europe, Middle East and Africa	<b>RSU</b>	Restricted stock unit
<b>EPS</b>	Earnings per common share	<b>RWA</b>	Risk-weighted assets
<b>FDIC</b>	Federal Deposit Insurance Corporation	<b>SCB</b>	Stress capital buffer
<b>FFELP</b>	Federal Family Education Loan Program	<b>SEC</b>	U.S. Securities and Exchange Commission
<b>FHC</b>	Financial holding company	<b>SLR</b>	Supplementary leverage ratio
<b>FICO</b>	Fair Isaac Corporation	<b>S&amp;P</b>	Standard & Poor's
<b>Financial statements</b>	Consolidated financial statements	<b>SPE</b>	Special purpose entity
<b>FVO</b>	Fair value option	<b>SPOE</b>	Single point of entry
<b>G-SIB</b>	Global systemically important bank	<b>TLAC</b>	Total loss-absorbing capacity
<b>HFI</b>	Held-for-investment	<b>U.K.</b>	United Kingdom
<b>HFS</b>	Held-for-sale	<b>UPB</b>	Unpaid principal balance
<b>HQLA</b>	High-quality liquid assets	<b>U.S.</b>	United States of America
<b>HTM</b>	Held-to-maturity	<b>U.S. Bank Subsidiaries</b>	MSBNA and MSPBNA
<b>I/E</b>	Intersegment eliminations	<b>U.S. GAAP</b>	Accounting principles generally accepted in the U.S.
<b>IHC</b>	Intermediate holding company	<b>VaR</b>	Value-at-Risk
<b>IM</b>	Investment Management	<b>VIE</b>	Variable interest entity
<b>Income statement</b>	Consolidated income statement	<b>WACC</b>	Implied weighted average cost of capital
		<b>WM</b>	Wealth Management

## Controls and Procedures

Under the supervision and with the participation of the Firm's management, including the Chief Executive Officer and Chief Financial Officer, the Firm conducted an evaluation of the effectiveness of the Firm's disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")). Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Firm's disclosure controls and procedures were effective as of the end of the period covered by this report.

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

## Legal Proceedings

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

## Risk Factors

For a discussion of the risk factors affecting the Firm, see "Risk Factors" in Part I, Item 1A of the 2024 Form 10-K.

## Unregistered Sales of Equity Securities and Use of Proceeds

### Issuer Purchases of Equity Securities

<i>\$ in millions, except per share data</i>	Total Number of Shares Purchased <sup>1</sup>	Average Price Paid per Share <sup>2</sup>	Total Shares Purchased as Part of Share Repurchase Authorization <sup>2,3</sup>	Dollar Value of Remaining Authorized Repurchase
January	7,818,953	\$ 136.00	1,115,300	\$ 18,347
February	3,124,925	\$ 135.90	2,378,100	\$ 18,023
March	4,594,211	\$ 117.94	4,450,384	\$ 17,500
<b>Three Months Ended March 31, 2025</b>	<b>15,538,089</b>	<b>\$ 130.64</b>	<b>7,943,784</b>	

- Includes 7,594,305 shares acquired by the Firm in satisfaction of the tax withholding obligations on stock-based awards granted under the Firm's stock-based compensation plans during the three months ended March 31, 2025.
- Share purchases under publicly announced authorizations are made pursuant to open-market purchases, Rule 10b5-1 plans or privately negotiated transactions (including with employee benefit plans) as market conditions warrant and at prices the Firm deems appropriate and may be suspended at any time.
- The Firm announced that its Board of Directors reauthorized a multi-year repurchase authorization of up to \$20 billion of outstanding common stock (the "Share Repurchase Authorization") from time to time as conditions warrant and subject to limitations on distributions from the Federal Reserve. The Share Repurchase Authorization is for capital management purposes and considers, among other things, business segment capital needs, as well as equity-based compensation and benefit plan requirements. The Share Repurchase Authorization has no set expiration or termination date.

On June 28, 2024, the Firm announced that its Board of Directors reauthorized a multi-year repurchase authorization of up to \$20 billion of outstanding common stock, without a set expiration date, beginning in the third quarter of 2024, which will be exercised from time to time as conditions

warrant. For further information, see "Liquidity and Capital Resources—Regulatory Requirements—Capital Plans, Stress Tests and the Stress Capital Buffer."

## Other Information

On May 2, 2025, Victoria Worster, age 52, was appointed Chief Accounting Officer and Controller, effective May 15, 2025.

Ms. Worster joined the Firm in 1998 and has served as the Chief Financial Officer of the U.S. Bank Subsidiaries since February 2025. Previously, Ms. Worster served in various leadership roles within the Firm's Finance Division, including as Asia Pacific Chief Financial Officer, Co-Global Head of Legal Entity Control and Head of International Accounting and Regulatory Policy.

## Exhibits

Exhibit No.	Description
15	<a href="#">Letter of awareness from Deloitte &amp; Touche LLP, dated May 5, 2025, concerning unaudited interim financial information.</a>
31.1	<a href="#">Rule 13a-14(a) Certification of Chief Executive Officer.</a>
31.2	<a href="#">Rule 13a-14(a) Certification of Chief Financial Officer.</a>
32.1	<a href="#">Section 1350 Certification of Chief Executive Officer.</a>
32.2	<a href="#">Section 1350 Certification of Chief Financial Officer.</a>
101	Interactive Data Files pursuant to Rule 405 of Regulation S-T formatted in Inline eXtensible Business Reporting Language ("Inline XBRL").
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101).

## Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MORGAN STANLEY  
(Registrant)

By: /s/ SHARON YESHAYA

**Sharon Yeshaya**  
Executive Vice President and  
Chief Financial Officer

By: /s/ RAJA J. AKRAM

**Raja J. Akram**  
Deputy Chief Financial Officer,  
Chief Accounting Officer and Controller

Date: May 5, 2025