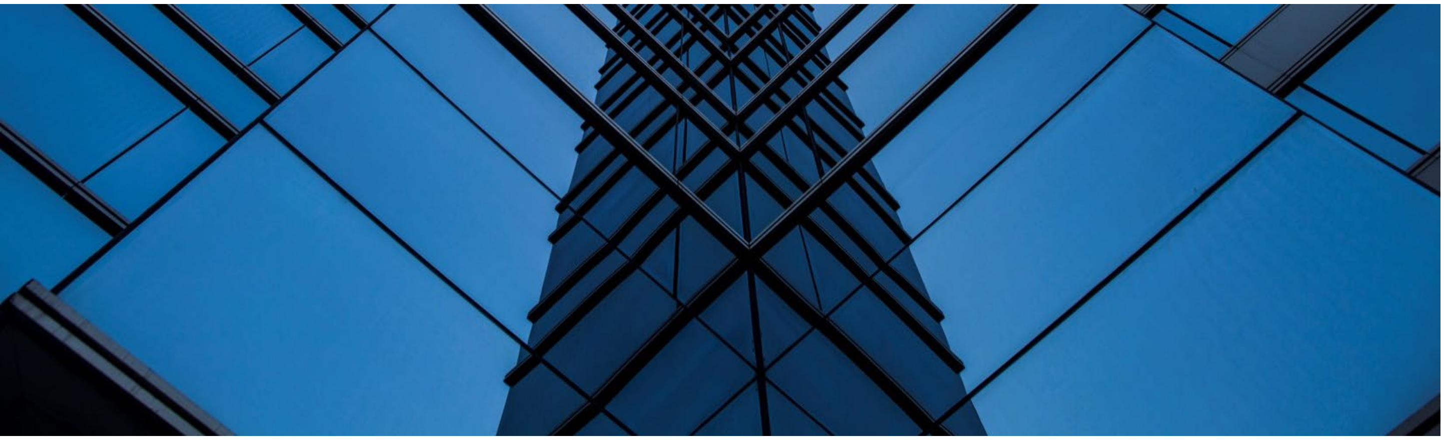
Morgan Stanley



2023 IDI Resolution Plan

Public Section

PUBLIC SECTION

1. Executive Summary

Morgan Stanley (as a stand-alone parent holding company, "**MS Parent**", and on a consolidated basis, the "**Firm**") is a global financial services firm that, through its subsidiaries and affiliates, provides a wide variety of products and services to a large and diversified group of customers and counterparties. The Firm is committed to managing its operations to promote the integrity of the financial system, enhancing its resolvability and fulfilling its responsibility to maintaining the highest standards of excellence.

The Firm has complied with regulatory changes made since 2008 that mitigate systemic risk and improve global financial stability. One such regulatory change is the requirement for insured depositary institutions ("**IDIs**") with $100 billion or more in total assets to submit periodically to the Federal Deposit Insurance Corporation ("**FDIC**") a plan for the resolution of such IDI (an "**IDI Plan**") in the event of its failure. Morgan Stanley Bank, N.A. ("**MSBNA**") and Morgan Stanley Private Bank, National Association ("**MSPBNA**"), (together "**the Banks**" or "**U.S. Banks**"), are indirect, wholly owned subsidiaries of MS Parent. MSBNA and MSPBNA, with total assets of $201 billion and $210 billion, respectively, as of December 31, 2022, are required to file an IDI Plan with the FDIC. The Banks have filed a single, combined IDI Plan.

The Banks' IDI Plan describes their businesses and strategies to facilitate the FDIC's readiness to resolve the Banks under the Federal Deposit Insurance Act ("**FDIA**") in the event of their failure. The IDI Plan has been developed in accordance with the Final Rule adopted by the FDIC for resolution plans required for IDIs with $100 billion or more in total assets ("**IDI Rule**")[1], and the additional requirements under the FDIC's Statement on Resolution Plans for Insured Depository Institutions provided in June 2021 ("**FDIC Statement**")[2].

The objective of the IDI Rule and the FDIC Statement is to provide the FDIC with the information it needs to make orderly and cost-effective IDI resolutions more feasible. The IDI Plan is distinct from the Firm's Title I Resolution Plan[3] developed in accordance with the requirements of Section 165(d) of Title I of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("**Dodd-Frank Act**") and its implementing regulations adopted by the Board of Governors of the Federal Reserve System (the "**Federal Reserve Board**") and the FDIC (the "**Title I Plan**"), which requires a plan for the resolution of MS Parent under the U.S. Bankruptcy Code in a manner that substantially mitigates the risk that its failure would have serious effects on financial stability in the United States ("**U.S.**"). The Firm's Title I Plan articulates its preferred single point of entry ("**SPOE**") strategy for the resolution of MS Parent and certain of its subsidiaries, under which MS Parent's material subsidiaries remain solvent and operational.

By contrast and as required by the IDI Rule, this IDI Plan describes how the Banks could be resolved under a receivership under Sections 11 and 13 of the FDIA and in a manner to ensure that depositors

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[1] *12 CFR Part 360,* www.govinfo.gov, https://www.govinfo.gov/content/pkg/CFR-2022-title12-vol6/pdf/CFR-2022-title12-vol6-part360.pdf

[2] *Statement on Resolution Plans for Insured Depository Institutions,* www.fdic.gov, https://www.fdic.gov/resources/resolutions/resolution-authority/idi-statement-06-25-2021.pdf

[3] *Morgan Stanley 2023 Title I Plan Public Section*, www.federalreserve.gov, https://www.federalreserve.gov/supervisionreg/resolution-plans/morgan-stanley-1g-20230701.pdf

receive timely access to their deposits, while maximizing the return from the sale or disposition of assets and minimizing the amount of any loss to the Banks' creditors. See Section 6 *U.S. Banks Resolution Strategy* of the Public Section for additional details on the resolution strategies considered.

2. Morgan Stanley Profile

The Firm's parent company, MS Parent, is registered as a Bank Holding Company ("**BHC**") and elected to become a Financial Holding Company ("**FHC**") in 2008 under the Gramm-Leach-Bliley Act amendments to the BHC Act. The Firm conducts its business from its headquarters in and around New York City, its regional offices and branches throughout the U.S. and its principal offices in London, Tokyo, Hong Kong and other world financial centers.

The Firm operates three business segments: Wealth Management ("**WM**"), Institutional Securities Group ("**ISG**"), and Investment Management ("**IM**"). Two of these business segments, WM and ISG, are in-scope for the IDI Plan, while IM is out of scope given the Banks do not support any IM business activities.

For the IDI Plan, the Banks have identified their Core Business Lines ("**CBLs**"), as per the IDI Rule and FDIC Statement. MSBNA CBLs support both ISG and WM activities, while MSPBNA CBLs support WM activities. The Banks' CBLs are described further in Section 4 *MSBNA Profile* for MSBNA and Section 5 *MSPBNA Profile* for MSBPNA.

2.1. Wealth Management

The Firm's WM business segment provides investment solutions designed to accommodate the investment objectives, risk tolerance and liquidity needs of individual investors and small to medium-sized businesses and institutions.

The Banks offer select banking, cash management, and lending services to WM customers, including FDIC-insured deposits, mortgages, securities based lending and tailored lending solutions.

WM also provides brokerage and investment advisory products and services through the U.S. broker-dealer entity, Morgan Stanley Smith Barney LLC ("**MSSB**"). Service offerings include 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 real estate loans and other lending products; banking; and retirement plan services.

2.2. Institutional Securities Group

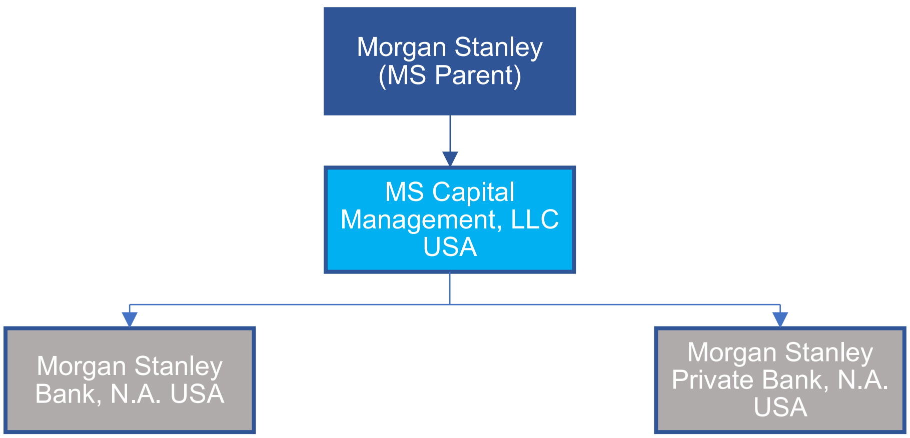
The Firm's ISG business segment provides financial advisory and capital-raising services, as well as assistance with accessing capital markets and hedging activities, to a diverse group of corporate and other institutional clients globally. ISG's business activities include Mergers and Acquisitions ("**M&A**") advisory, restructurings, real estate and project finance, corporate lending, investment activities, as well as providing sales, trading, financing and market-making activities in equity and fixed income securities and related products, including Foreign Exchange ("**FX**") and commodities, both as principal and as agent. ISG operates primarily through Morgan Stanley & Co. LLC ("**MSCO**"), Morgan Stanley & Co. International plc ("**MSIP**"), Morgan Stanley MUFG Securities Co., Ltd. ("**MSMS**"), Morgan Stanley Capital Services LLC ("**MSCS**"), Morgan Stanley Capital Group, Inc. ("**MSCG**"), Morgan Stanley Europe SE ("**MSESE**"), and Morgan Stanley Bank Aktiengesellschaft ("**MSBAG**").

Lending activity in the Banks from the ISG business segment primarily includes secured lending facilities originated by ISG's Fixed Income Division ("**FID**") and Commercial Real Estate ("**CRE**") lending.

3. MSBNA and MSPBNA Ownership Structure

The Firm's wholly owned FDIC-insured depository institutions are MSBNA and MSPBNA. The immediate parent of the Banks is Morgan Stanley Capital Management, LLC ("**MSCM**"), which is a wholly owned direct subsidiary of MS Parent. Exhibit 3-1 illustrates the ownership structure of MSBNA and MSPBNA within the Firm.

Exhibit 3-1: Current MSBNA and MSPBNA Ownership Structure



The FDIC broadly defines a Material Entity in the IDI Rule as a "company that is significant to the activities of a critical service or core business line". The IDI Rule further indicates that Material Entities are within a Bank's ownership chain, such as the requirement to "provide an unconsolidated balance sheet for the CIDI and a consolidating schedule for all material entities that are subject to consolidation with the CIDI." Neither MSBNA nor MSPBNA have any operating subsidiaries that meet the definition of a Material Entity.

4. MSBNA Profile

MSBNA is a U.S. national bank and an indirect, wholly owned subsidiary of MS Parent. MSBNA is headquartered in Salt Lake City, Utah, with administrative offices in New York City.

MSBNA is primarily a wholesale commercial bank that offers corporate lending and certain retail securities-based lending services in addition to deposit products, which are principally used to fund lending activities and its investment portfolio.

MSBNA had approximately $201 billion in assets as of December 31, 2022. MSBNA offers deposit products as well as credit products on a secured and unsecured basis, to the Firm's WM and ISG clients. Excess cash and reserves are invested in high-quality liquid securities.

4.1. Overview of MSBNA Core Business Lines

Per the IDI Rule, CBLs are business lines, comprised of those assets, associated operations, services and functions, which upon failure would result in a material loss of revenue, profit or franchise value.

MSBNA defines CBLs based on contributions to balance sheet, net revenues, or net income. Additionally certain strategically important businesses are also included as CBLs. MSBNA has six CBLs, as outlined in Exhibit 4-1.

Exhibit 4-1: MSBNA Core Business Lines Mapped to Firm Business Segments

Firm Business Segment	MSBNA CBL
ISG	FID Secured Lending
	CRE Lending
	Equity Financing
	Relationship Lending
WM	Wholesale Funding and Liquidity Management
	Deposits and Cash Management

4.1.1. FID Secured Lending

FID Secured Lending as part of ISG, offers revolving credit lines, term financing, and event-like financing to originators or aggregators of mortgages, asset-backed, corporate, and other types of loans and receivables. Facilities are typically secured by loan assets, including residential mortgages, commercial real estate loans, corporate loans and consumer loans that typically are originated as new loans or purchased by the aggregator and pledged as collateral against a warehouse facility from the Bank.

4.1.2. Commercial Real Estate Lending

CRE Lending as part of ISG, originates loans to large public real estate companies, major institutional investors, WM clients, and developers that seek to either acquire commercial real estate assets or refinance existing projects.

4.1.3. Equity Financing

Equity Financing as part of ISG, is comprised of three primary product verticals: Margin Lending, Prepaid Derivatives and Equity Swaps. Margin Lending is comprised of extensions of credit collateralized primarily by one or more publicly traded or private equities. Prepaid Derivatives combine collateralized financing with a derivative. Equity Swaps provide clients with exposure to single name stocks, baskets of single name stocks and indices for synthetic access, shorting, financing, and hedging purposes.

4.1.4. Relationship Lending

Relationship Lending originates syndicated and bilateral loan facilities to corporate borrowers. Borrowers use these facilities for general corporate purposes, which include commercial paper backstops.

4.1.5. Wholesale Funding and Liquidity Management

Wholesale Funding and Liquidity Management is comprised of the Investment Portfolio and Treasury Funding. The Investment Portfolio includes U.S. Treasuries, U.S. Agency mortgages, collateralized mortgage obligations, consumer credit backed securities, and commercial mortgage-backed securities. The Investment Portfolio may also hold reverse-repurchase agreements that are fully collateralized by liquid, fixed income securities. Treasury Funding primarily includes bank notes, sweep deposits, vanilla brokered Certificate of Deposits ("**CDs**"), structured CDs and parent and affiliate deposits. Sweep deposits are comprised of internal (affiliate) sweeps, external sweeps and reciprocal sweeps.

4.1.6. Deposits and Cash Management

Deposits and Cash Management is comprised of funds swept through MSSB's Bank Deposit Program ("**BDP**"), funds swept through the Preferred Savings Program, brokerage customer cash collateral, third-party sweep arrangements, affiliate deposits, and E*TRADE sweeps, checking and premium savings. This comprehensive suite of deposit products is designed to meet the needs of both deposit account holders and WM clients.

5. MSPBNA Profile

MSPBNA is an indirect, wholly owned FDIC-insured subsidiary of MS Parent headquartered in Purchase, New York. MSPBNA provides deposit, cash management, and lending products and services designed to meet WM client needs.

MSPBNA was merged with two bank subsidiaries, E*TRADE Bank and E*TRADE Savings Bank (a subsidiary of E*TRADE Bank) on January 1, 2022, as part of the integration of the Firm's E*TRADE Financial Corporation ("**ETFC**") acquisition.

As of December 31, 2022, MSPBNA had total assets of approximately $210 billion.

5.1. Overview of MSPBNA Core Business Lines

Per the IDI Rule, CBLs are business lines, comprised of those assets, associated operations, services and functions, which upon failure would result in a material loss of revenue, profit or franchise value.

MSPBNA defines CBLs based on contributions to balance sheet, net revenues, or net income. Additionally certain strategically important businesses are also included as CBLs. MSPBNA has five CBLs, as listed in Exhibit 5-1.

Exhibit 5-1: MSPBNA Core Business Lines Mapped to Firm Business Segments

Firm Business Segment	MSPBNA CBL
WM	Mortgages
	Securities Based Lending[4]
	Tailored Lending
	Wholesale Funding and Liquidity Management
	Deposits and Cash Management

5.1.1. Mortgages

MSPBNA originates closed-end first lien residential mortgage loans and open-end first lien and second lien Home Equity Lines of Credit ("**HELOCs**"). The lending products for the mortgage loans include fixed, floating and adjustable-rate products with varying maturities and amortizing options. MSPBNA generally holds originated mortgage loans and HELOCs in its portfolio, except for certain mortgage loans that may be sold to investors.

5.1.2. Securities Based Lending

Securities Based Lending ("**SBL**") is composed of Liquidity Access Line ("**LAL**") and Line of Credit ("**LOC**") offerings. LAL is a purpose and non-purpose credit product secured by portfolios of securities and other high-quality assets held by WM clients in one or more pledged brokerage accounts at MSSB, MSPBNA's affiliated broker-dealer. The LAL structure is a revolving demand facility with flexible

[4] Includes Liquidity Access Line (LAL) and Line of Credit (LOC) product offerings.

repayment options available to clients. Collateral advance and maintenance rates vary based on the type, liquidity, and volatility of the underlying assets.

The LOC offering is a non-purpose securities-based lending product available to E*TRADE clients (including WM clients who open an E*TRADE securities account) that was established in the third quarter of 2017. Like LAL, LOC is an extension of credit collateralized by readily marketable securities. LOC proceeds are most commonly used for real estate, general liquidity, business needs and tax payments.

The LOC business is now a product offered exclusively by MSPBNA as part of the E*TRADE Bank consolidation into MSPBNA.

5.1.3. Tailored Lending

Tailored Lending is principally focused on Ultra High New Worth clients who have at least $10 million of Assets Under Management ("**AUM**") with the Firm and a net worth of $50 million or greater. Tailored Lending is primarily a collateralized lending business. In addition, unsecured loans are originated on a limited basis for clients possessing considerable liquidity and cash flow, coupled with conservative leverage profiles. Credit facilities are offered as lines of credit, term loans letters of credit, demand loans and committed loans.

5.1.4. Wholesale Funding and Liquidity Management

Similar to MSBNA, Wholesale Funding and Liquidity Management is comprised of the Investment Portfolio and Treasury Funding. The Investment Portfolio includes U.S. Treasuries, U.S. Agency mortgages, collateralized mortgage obligations, consumer credit backed securities, and commercial mortgage-backed securities. The Investment Portfolio may also hold reverse-repurchase agreements that are fully collateralized by liquid, fixed income securities. Treasury Funding primarily includes bank notes, sweep deposits, vanilla brokered CDs, structured CDs and parent and affiliate deposits. Sweep deposits are comprised of internal (affiliate) sweeps, external sweeps and reciprocal sweeps.

5.1.5. Deposits and Cash Management

Deposits and Cash Management on MSPBNA is comprised of funds swept through MSSB's BDP, funds swept through the Preferred Savings Program, brokerage customer cash collateral, Global Currency deposits and E*TRADE sweeps, checking and premium savings. This comprehensive suite of deposit products is designed to meet the needs of both deposit account holders and WM clients. Global Currency deposits can be held in different currencies by WM clients at MSPBNA and are FDIC insured up to applicable limits. Balances in major currencies are moved to MS Parent and used for funding purposes; MSPBNA places the remaining currencies at correspondent banks.

6. U.S. Banks Resolution Strategy

The IDI Plan describes how the Banks can be resolved in a rapid and orderly fashion in the event of their material financial distress or failure. Several resolution strategies are considered including a Liquidation Strategy where the assets of the CBLs are sold within one to three months, a Multiple Acquiror Strategy, which would be executed over a slightly longer period with the objective of maximizing the proceeds of the asset sales, and a bridge bank. In both the Liquidation Strategy and Multiple Acquiror Strategy, the assets are expected to be sold to a financial buyer or buyers.

6.1. Firm Resolution Strategy

The Firm's Resolution Strategy in the event of material financial distress or failure is SPOE, pursuant to which the Firm's Material Entities, including the Banks, would be rapidly recapitalized prior to MS Parent commencement of bankruptcy proceedings under Chapter 11 of Title 11 under the U.S. Bankruptcy Code ("**Chapter 11**"). The Firm's Material Entities designated under the Title I Plan would remain solvent and the Banks would be sold along with the Firm's WM business segment without filing their own resolution proceedings. The Firm has established a resolution funding vehicle, the Funding Intermediate Holding Company ("**Funding IHC**") as a legal entity to facilitate transfers of liquidity and capital to the Firm's Material Entities under the Title I Plan, including the Banks, during times of material financial distress and throughout the resolution of MS Parent in the Chapter 11 bankruptcy proceeding.

Throughout the resolution of the Firm under the Firm's Title I Plan, operational continuity and access to critical internal and external services would be maintained to implement the SPOE to prevent the failure of the Firm's Material Entities, including the Banks.

In contrast, the IDI Plan requirements do not contemplate an SPOE strategy. Instead, the purpose of the IDI Plan is to better prepare the FDIC as receiver to resolve the Banks under the FDIA, not the Firm as a whole. The objectives of the IDI Plan are to demonstrate that depositors will receive timely access to insured deposits, to maximize return on assets and minimize loss to creditors and to ensure access to material information needed to resolve the Banks.

6.2. IDI Plan Resolution Strategies

The overarching goal of the resolution strategies considered for the IDI Plan is to demonstrate that if either of the Banks were to fail, they could be resolved within the timeframes and under the stress conditions mandated by the FDIC and without taxpayer or government support or disruption to U.S. and global financial stability.

The Banks' resolution strategies include the sale or disposition of the deposit franchise, including CBLs and major assets of the Banks in a manner that supports the aforementioned IDI Plan objectives of providing depositors access to their insured deposits, maximizing the net present value return from the sale or disposition of such assets and minimizing the amount of any loss realized in the resolution:

- **Liquidation Strategy**, in which assets would be monetized over an estimated period of one to three months. Under the Liquidation Strategy, because each Bank may assume substantial liquidation discounts at the point of sale for its assets, thereby reducing the funds available to repay liability holders, including insured depositors, the Liquidation Strategy would not support the FDIC's resolution objectives of receiving timely access to insured deposits and maximizing the return on assets; and

- **Multiple Acquirer Strategy**, in which assets will be sold over a period of approximately six to nine months. The Multiple Acquirer Strategy provides additional time that could be used to determine the most optimal disposition method and enable potential buyers sufficient time to conduct due diligence, resulting in potentially higher sale proceeds for the Banks' asset disposals. The Multiple Acquirer Strategy occurs over a longer time horizon to maximize return on assets and minimize loss to creditors, while supporting a more orderly wind-down. Potential buyers include domestic and foreign banks with existing lending businesses.

6.3. Bridge Bank Considerations

In producing the IDI Plan, other resolution strategies were considered by the Banks, including the recapitalization of a bridge depository institution and facilitating its exit from resolution as a newly chartered IDI that would have new ownership (**"Bridge Bank Strategy")**. The Firm concluded that neither MSBNA nor MSPBNA would have standalone going concern value when separated from the ISG and WM franchises, therefore the Banks do not consider a Bridge Bank Strategy a viable or optimal strategy.

7. Structural Changes to Facilitate Orderly Resolution

In alignment with the Firm, the Banks have taken and will continue to take steps to further strengthen their safety and soundness, resilience in stress, and the effectiveness of their IDI Plan. Enhancements at the Firm and the Banks have been undertaken to ensure continuity of, and access to, Critical Employees, infrastructure, data and other services.

The Firm and the Banks have continued to improve their resolvability since submission of the 2018 IDI Plans. Set forth below are some structural changes by the Firm that enhance overall resiliency and resolvability:

- **Integration of RRP into the Broader Organization**: The Firm has engaged in an extension of divisional roles and responsibilities in Business-as-Usual ("**BAU**") and streamlining of Recovery and Resolution Planning ("**RRP**") documentation to ensure appropriate and sustained ownership of capabilities and documentation that is functional and operational in nature. RRP teams have been integrated within Treasury to lead recovery and resolution preparedness globally, including IDI Plan efforts, with input from Finance and other functional teams. Additionally, the Firm has maintained strong divisional ownership (e.g., Finance, Legal, Operations, Risk) of RRP capabilities as an extension of BAU roles and responsibilities, with the U.S. Banks Boards of Directors ("**the U.S. Banks Boards**") and Senior Management oversight;
- **Continued Optimization towards a Rational, Less Complex Legal Entity Structure**: The Firm has continued to analyze and rationalize its legal entity structure through changes aligning businesses and legal entities. This includes ongoing assessments to inform legal entities, activities and business segments in-scope for the WM and IM sales packages in the Title I Plan. The Firm has acquired both E*TRADE and Eaton Vance since the 2018 IDI Plan submissions. Both acquisitions have been fully integrated into the Firm, and have been included in ongoing legal entity rationalization activities;
- **Ensuring Continuity of, and Access to, Data and Services**: The Firm has made and will continue to make enhancements to infrastructure and processes to assure continuity of access in resolution to data, personnel, infrastructure, and internal and external services; and
- **Enhancing Operational Capabilities for Resolution Preparedness**: The Firm has significantly expanded its operational capabilities that are critical to the Firm's operational resilience and contingency planning in circumstances where capital and liquidity buffers are strained and that are critical to the resiliency of the financial system as a whole, such as the ability to produce timely data.

8. Consolidated Financial Information

8.1. Condensed Balance Sheets

8.1.1. MSBNA

MSBNA has two subsidiaries subject to consolidation as of December 31, 2022. Exhibit 8-1 provides MSBNA's condensed, consolidated balance sheet as of December 31, 2022.[5]

Exhibit 8-1: MSBNA Consolidated Balance Sheet as of December 31, 2022

($ in billions)	**At December 31, 2022**
Assets	
Cash and cash equivalents	$28.5
Trading assets at fair value	13.0
Investment securities[6]	73.9
Securities purchased under agreements to resell	4.5
Loans	77.2
Interest receivable	0.8
Affordable housing tax credit investments	0.9
Deferred taxes	0.9
Other assets	1.7
Total Assets	**$201.4**
Liabilities and Shareholder's Equity	
Deposits	$177.4
All other liabilities	4.0
Total Shareholder's Equity	20.0
Total Liabilities and Equity	**$201.4**

8.1.2. MSPBNA

MSPBNA has no subsidiaries as of December 31, 2022. As such, no legal entities are subject to consolidation. Exhibit 8-2 provides MSPBNA's condensed balance sheet as of December 31, 2022.

Exhibit 8-2: MSPBNA Balance Sheet as of December 31, 2022

($ in billions)	**At December 31, 2022**
Assets	
Cash and cash equivalents	$26.7
Trading assets at fair value	0.7
Investment securities	49.4
Loans	129.7

[5] As reported in MSBNA's Annual Report for the year ended December 31, 2022.

[6] Includes Available for Sale (AFS) securities at fair value and Held to Maturity (HTM) securities at cost.

($ in billions)	**At December 31, 2022**
Other assets	3.2
Total Assets	**$209.7**
Liabilities and Shareholder's Equity	
Deposits	$192.3
All other liabilities	1.4
Total Equity	16.0
Total Liabilities and Shareholder's Equity	**$209.7**

8.2. Capital

The Office of the Comptroller of the Currency ("**OCC**") establishes capital requirements for the Banks, including "**Well-Capitalized**" standards, and evaluates the Banks' compliance with such capital requirements. Regulatory capital requirements established by the OCC are largely based on the Basel III capital standards established by the Basel Committee and also implement certain provisions of the Dodd-Frank Act. Under the Federal Deposit Insurance Corporation Improvement Act of 1991 capital adequacy guidelines and regulatory framework for prompt corrective action ("**the PCA Framework**"), the Banks must meet specific capital guidelines that involve quantitative measures of the Bank's assets, liabilities and certain off-balance sheet items as calculated under regulatory accounting practices. At December 31, 2022, the Banks maintained capital ratios that exceed the Well-Capitalized requirements.

8.2.1. MSBNA

MSBNA's capital ratios as of December 31, 2022, are provided in Exhibit 8-3.

Exhibit 8-3: MSBNA's Capital Ratios as of December 31, 2022

	Well-Capitalized Requirements	**At December 31, 2022**
Common Equity Tier 1 Capital Ratio	6.5%	20.5%
Tier 1 Capital Ratio	8.0%	20.5%
Total Capital Ratio	10.0%	21.1%
Tier 1 Leverage Ratio	5.0%	10.1%
Supplementary Leverage Ratio	6.0%	8.1%

8.2.2. MSPBNA

MSPBNA's capital ratios as of December 31, 2022 are provided in Exhibit 8-4.

Exhibit 8-4: MSPBNA's Capital Ratios as of December 31, 2022

	Well-Capitalized Requirements	At December 31, 2022
Common Equity Tier 1 Capital Ratio	6.5%	27.5%
Tier 1 Capital Ratio	8.0%	27.5%
Total Capital Ratio	10.0%	27.8%
Tier 1 Leverage Ratio	5.0%	7.6%
Supplementary Leverage Ratio	6.0%	7.4%

8.3. Funding

Funding sources of MSBNA and MSPBNA in BAU may include, but are not limited to, the following:

- Transaction accounts generated through a deposit program with the Firm's retail clients;
- Savings Deposit Programs including Preferred Savings Account generated from the Firm's retail clients;
- Money Market Deposit accounts and transaction accounts generated through a third-party sweep program (e.g., third party sweep deposits);
- Time deposits: retail brokered, institutional and private banking group CDs (structured and vanilla brokered);
- Time deposits: Bank CDs (non-brokered);
- Intercompany loans from MS Parent;
- Sister bank loans;
- Repurchase agreements;
- Muni tender option bonds (on MSBNA only);
- Federal Home Loan Bank advances / borrowings;
- Federal Reserve borrowings, such as the Discount Window or Bank Term Funding Program (launched 2023);
- Capital infusions from MS Parent;
- Issuance of MSBNA bank notes (launched 2023);
- Reciprocal deposits (launched 2023); and
- Global currency deposits (launched 2023).

9. Description of Foreign Operations

MSBNA and MSPBNA have no material operations outside the U.S. and do not have any retail branches.

10. Material Supervisory Authorities

As national banks, MSBNA's and MSPBNA's primary regulator is the OCC. As IDIs, the Banks are subject to regulation by the FDIC. As subsidiaries of MS Parent, a BHC that is an FHC, MSBNA and MSPBNA are subject to regulation by the Federal Reserve. MSBNA is also a registered swap dealer, subject to regulation by the Commodity Futures Trading Commission ("**CFTC**") and a conditionally approved securities based swap dealer with the U.S. Securities Exchange Commission ("**SEC**"). Additionally, the Banks are subject to supervision by the Consumer Financial Protection Bureau ("**CFPB**") with respect to consumer finance laws and regulations.

11. Principal Officers

The principal officers of both MSBNA and MSPBNA are shown in Exhibit 11-1.

Exhibit 11-1: MSBNA and MSPBNA Principal Officers as of December 31, 2022

Title	Name
Chairman & CEO of U.S. Banks and Morgan Stanley Head of Technology	Michael Pizzi
President of U.S. Banks	John Ryan
U.S. Banks Chief Financial Officer	Jeffrey Kraus
U.S. Banks Chief Operating Officer	Thomas Duffy
U.S. Banks Chief Risk Executive	David Russo

12. Material Management Information Systems

Management Information Systems ("**MIS**") refers broadly to the technology and information utilized by management to support decision making and other purposes. It includes the technology infrastructure that is relied upon for the operation of applications and the production of information used to manage the Banks.

Management leverages an array of MIS for accounting, financial and regulatory reporting, risk management, deposit management, wire frequency and timing, contract management, and human resources. MIS includes applications used to generate reports utilized to manage legal entity accounting, financial reporting, funding and liquidity management, capital, compliance, risk (including credit, market, and operational risk), trading, and operations. These systems are provided by vendors, contracted directly with the Banks or through service agreements with affiliates or between the Banks.

Technology has principal responsibility for global application development within the Firm and the enterprise infrastructure that support those applications. Technology plays an important role in the management, design, structure, and production of MIS within the Firm.

The Banks and the Firm have policies and procedures that govern the technology control environment. Such policies and procedures address information security requirements and infrastructure, application infrastructure, software development lifecycle, change management, security of systems and applications, and business continuity.

13. IDI Plan Corporate Governance

The Banks are committed to resolution planning and enhancing their resolvability. These priorities are reflected in (i) the overarching governance structure that the Banks have implemented, with Senior Management oversight, (ii) the identification of individuals or functions within the Banks to contribute to and review specified resolution planning capabilities and (iii) the formalized review, challenge, and assessment structures to validate the components of the IDI Plan.

The Banks' commitment to resilience and resolvability has resulted in bank-wide engagement in the enhancement of resolution capabilities and the development of the IDI Plan. To support plan development, Firm RRP coordinated Plan drafting, conducted review and challenge sessions and facilitated review and approval by the relevant governance forums.

All the components of the IDI Plan are reviewed by designated senior business and functional stakeholders. IDI Plan Sponsors, which include the Banks' Chief Financial Officer ("**CFO**"), Chief Operating Officer ("**COO**") and Treasurer, provide guidance and feedback on plan content. The IDI Plan has also been presented to the U.S. Banks Asset and Liability Committees ("**ALCOs**"), with second line of defense and third line of defense engagement, for review and challenge. The IDI Plan has been approved by the management-level U.S. Banks Risk Committees and the U.S. Banks Boards of Directors, following review by the U.S. Banks Risk Committee of the Boards of Directors in early November.

14. Glossary

TERM	ACRONYM	DEFINITION
165(d) Rule		Federal Reserve Board Regulation QQ, 12 CFR Part 243 and Federal Deposit Insurance Corporation Regulation 12 CFR Part 381
Asset and Liability Committee	ALCO	A type of governance body that is responsible for overseeing capital adequacy, funding requirements, liquidity risk and interest rate management from various perspectives (e.g., the Firm, segment, region or entity)
Assets Under Management	AUM	
Bank Deposit Program	BDP	Deposit program through which free credit balances in accounts of MSSB customers are automatically deposited into deposit accounts at MSBNA and MSPBNA
Bank Holding Company	BHC	
Bankruptcy Code	Chapter 11	Chapter 11 of Title 11 under the U.S. Bankruptcy Code
Banks or U.S. Banks		Refers collectively to MSBNA and MSPBNA
Bridge Bank Strategy		A temporary national bank chartered by the OCC and organized by the FDIC would take over and maintain banking services for the customers of a failed bank
Business-as-Usual	BAU	Normal operating environment
Certificate of Deposit	CD	
Chief Executive Officer	CEO	
Chief Financial Officer	CFO	
Chief Operating Officer	COO	
Commercial Real Estate	CRE	CRE Lending is an MSBNA CBL that originates loans to large public real estate companies, major institutional investors, MS WM clients, and developers that seek to acquire commercial real estate assets or refinance existing projects
Commodity Futures Trading Commission	CFTC	
Consumer Financial Protection Bureau	CFPB	
Core Business Lines	CBLs	Per the IDI Rule, business lines of the CIDI that are comprised of those assets, associated operations, services and functions, which upon failure would result in a material loss of revenue, profit or franchise value
Critical Employees		Employees who perform or support Critical Services in resolution
Critical Services		Per the IDI Rule, services and operations of the CIDI, such as servicing, information technology support and operations, human resources, and personnel that are necessary to continue the day-to-day operation of the CIDI
Dodd-Frank Act		Dodd-Frank Wall Street Reform and Consumer Protection Act
E*TRADE Financial Corporation	ETFC	
FDIC Statement		FDIC's Statement on Resolution Plans for Insured Depository Institutions, June 2021
Federal Deposit Insurance Act	FDIA	
Federal Deposit Insurance Corporation	FDIC	
Federal Reserve Board	FRB	
Finance		Firm division that includes product, regulatory and infrastructure controllers as well as Corporate Treasury, Tax, Financial Planning and Analysis and Strategy, Operations and Technology groups
Financial Holding Company	FHC	
Firm		A collective term for MS Parent with all of its subsidiaries on a consolidated basis

TERM	ACRONYM	DEFINITION
Firm Material Entity		A subsidiary or foreign office of the covered company that is significant to the activities of an identified critical operation or core business line, or is financially or operationally significant to the resolution of the Firm under the 165(d) Rule
Fixed Income Division	FID	Firm division that includes the Firm's sales and trading business as related to fixed income, foreign exchange and commodities Business Units
Foreign Exchange	FX	
Funding Intermediate Holding Company	Funding IHC	Resolution funding vehicle established in 2019 to facilitate transfers of liquidity and capital to the Firm's Material Entities during stress and throughout resolution
Home Equity Lines of Credit	HELOCs	Product offering within MSPBNA's Mortgages CBL
IDI Plan		MSBNA and MSPBNA's 2023 IDI Resolution Plan
IDI Rule		Federal Deposit Insurance Corporation Regulation 12 CFR Part 360
Institutional Securities Group	ISG	Segment of the Firm that provides institutional customers with a range of financial advisory and capital-raising services, assists them in accessing the capital markets and taking or hedging risk
Insured Depository Institution	IDI	
Investment Management	IM	Segment of the Firm that provides a comprehensive suite of investment management solutions to a diverse client base that includes governments, institutions, corporations, pension plans and individuals worldwide
Line of Credit	LOC	Non-purpose securities-based lending product offering from MSPBNA's SBL CBL
Liquidity Access Line	LAL	Purpose and non-purpose credit facility secured by portfolios of securities and other high-quality assets held by WM clients offered by MSPBNA's SBL CBL
Management Information System	MIS	Technology and information utilized by management to support decision making
Material Entity		Per the IDI Rule, a company that is significant to the activities of a critical service or core business line
Mergers and Acquisitions	M&A	
Morgan Stanley & Co. International Plc	MSIP	UK Investment Firm
Morgan Stanley & Co. LLC	MSCO	U.S. Broker-Dealer
Morgan Stanley Bank Aktiengesellschaft	MSBAG	German Bank
Morgan Stanley Bank, N.A.	MSBNA	U.S. National Bank and IDI
Morgan Stanley Capital Group Inc.	MSCG	U.S. Commodities, Swaps Dealer
Morgan Stanley Capital Services LLC	MSCS	U.S. Swaps Dealer
Morgan Stanley Europe SE	MSESE	German Broker-Dealer
Morgan Stanley MUFG Securities Co., Ltd.	MSMS	Japan Broker-Dealer
Morgan Stanley Private Bank, National Association	MSPBNA	U.S. National Bank and IDI
Morgan Stanley Smith Barney LLC	MSSB	U.S. Broker-Dealer
MS Capital Management, LLC	MSCM	Immediate parent of the U.S. Banks
MS Parent		The Firm's stand-alone parent holding company on an unconsolidated basis
Office of the Comptroller of the Currency	OCC	

TERM	ACRONYM	DEFINITION
The PCA Framework		Federal Deposit Insurance Corporation Improvement Act of 1991 capital adequacy guidelines and regulatory framework for prompt corrective action
Public Section		Public portion of 2023 IDI Resolution Plan
Recovery and Resolution Planning	RRP	
Securities Exchange Commission	SEC	
Securities Based Lending	SBL	SBL is an MSPBNA CBL composed of LAL and LOC product offerings
Senior Management		Refers broadly to direct reports of the Chairman and CEO of the Banks
Single Point of Entry	SPOE	A resolution strategy that involves rapidly recapitalizing the material entities of a top-tier bank holding company prior to the top-tier bank holding company's failure and its commencement of Chapter 11 proceedings. The material entities would then either (i) be transferred to a newly created holding company owned by a trust for the sole and exclusive benefit of the bankrupt top-tier holding company's creditors or (ii) remain under the bankrupt top-tier holding company as debtor-in possession. The Resolution Strategy contemplates the latter
Title I Plan		The Firm's Title I Resolution Plan developed in accordance with the requirements of Section 165(d) of Title I of the Dodd-Frank Wall Street Reform and Consumer Protection Act and its implementing regulations adopted by the Board of Governors of the Federal Reserve System and FDIC
United States	U.S.	
U.S. Banks Boards of Directors	U.S. Banks Boards	
Wealth Management	WM	Segment of the Firm that provides investment solutions designed to accommodate individual investment objectives, risk tolerance and liquidity needs
Well-Capitalized		Requirement under the PCA Framework to meet certain quantitative capital ratios