Registered number: 34161590

Registered office:
Luna Arena
Herikerbergweg 238
1101 CM
Amsterdam
The Netherlands

MORGAN STANLEY B.V.

Interim financial report

30 June 2026

MORGAN STANLEY B.V.

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INTERIM MANAGEMENT REPORT

The Directors present their interim management report, Directors' responsibility statement and the condensed financial statements for Morgan Stanley B.V. (the "Company") for the six months ended 30 June 2026.

RESULTS AND DIVIDENDS

The profit for the six months ended 30 June 2026, after tax, was €361,000 (30 June 2025: €559,000).

During the six months ended 30 June 2026, no dividends were paid or proposed (30 June 2025: €Nil).

PRINCIPAL ACTIVITY

The principal activity of the Company is the issuance of financial instruments including notes, certificates and warrants ("structured notes"), and bonds, all collectively referred to as "Debt issuances", and derivatives, as well as the hedging of the obligations arising from such issuances.

The Company was incorporated under Dutch law on 6 September 2001 and has its statutory seat in Amsterdam, The Netherlands. The business office of the Company is at Luna Arena, Herikerbergweg 238, 1101 CM, Amsterdam, The Netherlands.

The Company's ultimate parent undertaking and controlling entity is Morgan Stanley, which, together with the Company and Morgan Stanley's other subsidiary undertakings, form the "Morgan Stanley Group".

There have not been any significant changes in the Company's principal activity in the period under review and no significant change in the Company's principal activity is expected.

BUSINESS REVIEW

Exposure to risk factors and the current business environment in which it operates may impact business results of the Company's operations.

Risk factors

Risk taking is an inherent part of the Company's business activities. The Company seeks to identify, assess, monitor and manage each of the various types of risk involved in its business activities, in accordance with defined policies and procedures.

The Morgan Stanley Group Risk Appetite Statement articulates the aggregate level and type of risk that the Group is willing to accept in order to execute its business strategy and protect its capital and liquidity resources.

The Morgan Stanley Group has an established Risk Management Framework, to support the identification, monitoring and management of risk.

The key risk factors impacting the Company are consistent with those outlined in the 2025 Annual Report and Financial Statements ("2025 annual financial statements"), with the exception of the updates below.

Business environment

The economic environment exhibited strength in the first half of 2026 characterised by active equity markets supported by the adoption of AI and improved investor sentiment. Geopolitical risk, inflation, rising asset prices, the rate of economic growth, and the future path of monetary policy represent ongoing uncertainties which could continue to impact the capital markets and the entity. The entity's performance in this environment is discussed further in 'Overview of 2026 interim period'.

The entity's management continues to monitor the developments in the Middle East and their impact on the regional economy, global economic conditions and financial markets. The entity's direct exposure remains limited.

INTERIM MANAGEMENT REPORT

BUSINESS REVIEW (CONTINUED)

Overview of 2026 interim period

The Debt issuances and derivatives expose the Company to the risk of changes in market prices of the underlying securities, interest rate risk and, where denominated in currencies other than Euros, the risk of changes in exchange rates between the Euro and the other relevant currencies. The Company enters into derivative transactions with other Morgan Stanley Group undertakings to hedge the market price, interest rate and foreign currency risks associated with the Debt issuances.

The condensed statement of comprehensive income for the six months ended 30 June 2026 is set out on page 8. The Company reported a profit before income tax for the six months ended 30 June 2026 of €487,000 compared to €747,000 recognised for the six months ended 30 June 2025. The decrease in profit before income tax is driven by a decrease in the Company's share of Morgan Stanley's derivatives business revenues. The profit before income tax of the Company represents fees received in relation to intermediary services.

The condensed statement of financial position for the Company is set out on page 10. The Company's total assets at 30 June 2026 are €11,245,358,000, an increase of €2,170,478,000 or 24% when compared to 31 December 2025. Total liabilities of €11,209,124,000 represent an increase of €2,170,117,000 or 24% when compared to total liabilities at 31 December 2025. The increase in assets and liabilities is mainly due to increase in the value of Debt issuances within debt and other borrowing due to net issuances, the proceeds of which were passed on to another Morgan Stanley Group undertaking along with increase in trading financial asset and liabilities majorly related to hedging instruments.

The performance of the Company is included in the results of the Morgan Stanley Group. The Company's Directors believe that providing further performance indicators for the Company itself would not enhance an understanding of the development, performance or position of the business of the Company.

The risk management section below sets out the Company's and the Morgan Stanley Group's policies for the management of liquidity and cash flow risk and other significant business risks.

Risk management

Risk is an inherent part of the Company's business activity. The Company seeks to identify, assess, monitor and manage each of the various types of risk involved in its business activities, in accordance with defined policies and procedures. The Company is managed as part of the policies and procedures of the Morgan Stanley Group's risk management policy framework. The risk management policy framework includes escalation to the appropriate senior management personnel when necessary.

Note 19 to the 2025 annual financial statements provides more detailed qualitative disclosures on the Company's exposure to financial risks. Note 14 to the condensed financial statements provides more detailed quantitative disclosures.

Set out below is an overview of the Company's policies for the management of financial risk and other significant business risk.

Market risk

Market risk refers to the risk that a change in the level of one or more market prices, rates, spreads, indices, implied volatilities, correlations or other market factors, such as market liquidity, will result in losses for a position or portfolio.

INTERIM MANAGEMENT REPORT

BUSINESS REVIEW (CONTINUED)

Risk management (continued)

Market risk (continued)

The Company's market risk associated with its trading activities at a legal entity, trading division and at an individual product level is managed as part of the Morgan Stanley Group's market risk management policy framework.

The Morgan Stanley Group's market risk management policy framework ensures transparency of material market risks, monitors compliance with established limits, and escalates risk concentrations to appropriate senior management when necessary.

It is the policy and objective of the Company not to be exposed to net market risk.

Credit risk

Credit risk refers to the risk of loss arising when a borrower, counterparty or issuer does not meet its financial obligations to the Company. Credit risk includes country risk, which is further described below.

The Morgan Stanley Group's credit risk management policies and procedures, of which the Company is a part, includes escalation to the appropriate senior management personnel when necessary.

Credit risk exposure is managed on a global basis and in consideration of each significant legal entity within the Morgan Stanley Group. The credit risk management policies and procedures establish the framework for identification, measurement, monitoring, reporting, challenge and escalation of credit risk whilst ensuring transparency of material credit risks and compliance with established limits, requisite approvals for extensions of credit and escalation of risk concentrations to appropriate senior management.

Additional information on the primary credit exposures, credit risk management and mitigation, exposure to credit risk, including the maximum exposure to credit risk by credit rating is presented in note 14.

Country risk exposure

Country risk exposure is the risk that events in, or affecting, a foreign country might adversely affect the Company. "Foreign country" means any country other than The Netherlands. Sovereign risk, by contrast, is the risk that a government will be unwilling or unable to meet its debt obligations, or renege on the debt it guarantees. Sovereign risk is single-name risk for a sovereign government, its agencies and guaranteed entities.

The Company enters into the majority of its financial asset transactions with other Morgan Stanley Group undertakings, primarily in Luxembourg, the United Kingdom ("UK") and the United States of America ("USA"). Both the Company and the other Morgan Stanley Group undertakings are wholly-owned subsidiaries of the same ultimate parent entity, Morgan Stanley. As a result of the implicit support that would be provided by Morgan Stanley, the Company's country risk is considered a component of the Morgan Stanley Group's credit risk.

For further information on how the Company identifies, monitors and manages country risk exposure refer to page 4 of the Directors' report of the Company's 2025 annual financial statements.

INTERIM MANAGEMENT REPORT

BUSINESS REVIEW (CONTINUED)

Risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Company's financial condition or overall soundness is adversely affected by an inability or perceived inability to meet its financial obligations in a timely manner. Liquidity risk encompasses the associated funding risks triggered by stress events that may cause unexpected changes in funding needs or an inability to raise new funding.

Since the Company hedges the liquidity risk of its financial liabilities with financial assets that match the maturity profile of the financial liabilities, the Company is not considered a major operating subsidiary for the purposes of liquidity risk. However, the Company would have access to the cash or liquidity reserves held by Morgan Stanley in the unlikely event that it was unable to access adequate financing to service its financial liabilities when they become payable.

For further discussion on the Company's liquidity risk refer to pages 4 and 5 of the Directors' report in the Company's 2025 annual financial statements.

Valuation risk

Valuation risk represents the possibility that a valuation estimate of a position would differ from the price in an actual close-out transaction due to uncertainty around the actual price that could be obtained.

Valuation Control ("VC") within Finance is responsible for the Company's valuation policies and procedures which ensure compliance with the relevant accounting standards and regulatory requirements. VC implements valuation control processes designed to validate the fair value of the Company's financial instruments measured at fair value including those derived from pricing models.

Operational risk

Operational risk refers to the risk of loss, or of damage to the Company's reputation, resulting from inadequate or failed processes, people and systems, or from external events (e.g. fraud, theft, legal, regulatory and compliance risks, cyberattacks or damage to physical assets). Operational risk relates to the following risk event categories as defined by Basel Capital Standards: internal fraud; external fraud; employment practices and workplace safety; clients, products and business practices; business disruption and system failure; damage to physical assets; and execution, delivery and process management. The scope also includes oversight of technology risk, cybersecurity risk, information security risk, and third party risk management (supplier and affiliate risk).

The Company may incur operational risk across the full scope of its business activities.

For further discussion on the Company's operational risk refer to pages 5, 6 and 7 of the Directors' report in the Company's 2025 annual financial statements.

INTERIM MANAGEMENT REPORT

BUSINESS REVIEW (CONTINUED)

Risk management (continued)

Legal, regulatory and compliance risk

Legal, regulatory and compliance risk includes the risk of legal or regulatory sanctions; material financial loss, including fines, penalties, judgements, damages and/ or settlements; limitations on our business; or loss to reputation which the Company may suffer as a result of a failure to comply with laws, regulations, rules, related self-regulatory organisation 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 Anti-Money Laundering, terrorist financing and anti-corruption rules and regulations. The Company is generally subject to extensive regulation in different jurisdictions in which it conducts its business.

The Company, principally through the Morgan Stanley Group's Legal and Compliance Division, has established procedures based on legal and regulatory requirements on a worldwide basis that are designed to facilitate compliance with applicable statutory and regulatory requirements and to require that the Company's policies relating to business conduct, ethics and practices are followed globally.

For further discussion on the Company's legal, regulatory and compliance risk, refer to page 7 of the Directors' report in the Company's 2025 annual financial statements.

Culture, values and conduct of employees

The Company's culture is built on the core values of the Morgan Stanley Group - *Put Clients First, Do the Right Thing, Lead with Exceptional Ideas, Commit to Diversity and Inclusion and Give Back*. Leadership, including from the Board, sets the tone for the Company, and the executive team drive a culture that is central to how the Morgan Stanley Group serves clients, advances and develops the workforce, and how the Company supports the communities around it. The Morgan Stanley Group is committed to reinforcing and confirming adherence to the core values through our governance framework, tone from the top, management oversight, risk management and controls, and a three lines of defence structure (risk owners within the business, Independent Risk Management functions, including the Financial Risk Management and Non-Financial Risk Management functions, and IAD).

The Morgan Stanley Group's Board is responsible for overseeing the Morgan Stanley Group's practices and procedures relating to culture, values and conduct. The Morgan Stanley Group's Senior management committees oversee the Morgan Stanley-wide culture, values and conduct program and report regularly to the Morgan Stanley Group Board. A fundamental building block of these programs is the Morgan Stanley Group's Code of Conduct (the "Code") which establishes standards for employee conduct that further reinforce the Morgan Stanley Group's commitment to integrity and ethical conduct. Every new hire and every employee annually is required to attest to their understanding of and adherence to the Code of Conduct. Morgan Stanley's Global Conduct Risk Management Policy also sets out a consistent global framework for managing conduct risk (i.e., the risk arising from misconduct by employees or contingent workers) and conduct risk incidents.

For further discussion on the Company's culture, values and conduct of employees' risk management, refer to page 8 of the Directors' report in the Company's 2025 annual financial statements.

Going concern

Business risks associated with the uncertain market and economic conditions are being actively monitored and managed by the Company. Retaining sufficient liquidity and capital to withstand these market pressures remains central to the Company's strategy.

The effect of relevant macroeconomic scenarios on the business of the Company have been considered as part of the going concern analysis, including impact on operational capacity, access to capital and liquidity, contractual obligations, asset valuations and other critical accounting judgements and key sources of estimation uncertainty.

INTERIM MANAGEMENT REPORT

BUSINESS REVIEW (CONTINUED)

Going concern (continued)

Taking all of these factors into consideration, the Directors believe it is reasonable to assume that the Company will have access to adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis in preparing the Interim Report and Condensed Financial statements.

DIRECTORS

The following Directors held office throughout the period under review and to the date of approval of this report:

B.A Carey
D. Diab
T. J. Van Rijn
D.C. Hiebendaal
TMF Management B.V.

The Company has taken notice of the newly adopted Dutch Gender Balance Act, which entered into force on 1 January 2022. The Company has established appropriate and ambitious target figures for Board diversity and implemented an action plan to reach the target. Appropriate in this case means one that takes into consideration and is dependent upon the size of the relevant Board and the current gender ratios. Ambitious is defined as one that aims to achieve a more balanced composition as compared to the existing state of affairs. The aim is that the Board of Directors comprises of at least 30% male and at least 30% female members. Currently, the composition of the Board of Directors meets the gender diversity objectives.

EVENTS AFTER THE REPORTING DATE

There have been no significant events since the reporting date.

AUDIT COMMITTEE

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

Approved by the Board and signed on its behalf by:

Date: 23 September 2026

B.A Carey　　D. Diab　　D.C. Hiebendaal

T. J. Van Rijn　　TMF Management B.V.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, the names of whom are set out below, confirm to the best of their knowledge:

– the condensed financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 'Interim Financial Reporting' ("IAS 34") as adopted by the EU on the basis of the Company's international connections and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and

– the interim management report includes a fair review of the important events that have occurred during the six months ended 30 June 2026 and the impact on the condensed financial statements and provides a description of the principal risks and uncertainties that the Company faces for the remaining six months of the financial year.

Approved by the Board and signed on its behalf by:

Date: 23 September 2026

B.A Carey	D. Diab	D.C. Hiebendaal
T. J. Van Rijn	TMF Management B.V.	

CONDENSED STATEMENT OF COMPREHENSIVE INCOME
Six months ended 30 June 2026

	Note	Six months ended 30 June 2026 €'000 (unaudited)	Six months ended 30 June 2025 €'000 (unaudited)
Net trading income / (expense) on financial assets		222,961	(151,357)
Net trading (expense) / income on financial liabilities		(156,048)	299,517
Net trading income		66,913	148,160
Net income on other financial assets held at fair value		123,617	152,538
Net expense on other financial liabilities held at fair value		(190,530)	(300,698)
Net expense on other financial instruments held at fair value	2	(66,913)	(148,160)
Other revenue	3	3,414	12,975
Total non-interest revenue		3,414	12,975
Interest income		29,055	25,757
Interest expense		(26,324)	(35,568)
Net interest income / (expense)	4	2,731	(9,811)
Net revenues		6,145	3,164
Non-interest expense:			
Other expense	5	(5,689)	(2,255)
Net reversal of impairment loss / (impairment loss) on financial instruments	6	31	(162)
PROFIT BEFORE INCOME TAX		**487**	**747**
Income tax expense	7	(126)	(188)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**361**	**559**

All operations were continuing in the current and prior period.

The notes on pages 12 to 36 form an integral part of the condensed financial statements.

CONDENSED STATEMENT OF CHANGES IN EQUITY
Six months ended 30 June 2026

	Note	30 June 2026	30 June 2025
		€'000	€'000
Share capital - at 1 January and 30 June (unaudited)		**15,018**	**15,018**
Retained earnings - at 1 January		**20,855**	**20,044**
Profit for the period (unaudited)		361	559
Retained earnings - at 30 June (unaudited)		**21,216**	**20,603**
Total equity at 30 June (unaudited)		**36,234**	**35,621**

The notes on pages 12 to 36 form an integral part of the condensed financial statements.

CONDENSED STATEMENT OF FINANCIAL POSITION
As at 30 June 2026
(Including Proposed Appropriation of Results)

	Note	30 June 2026	31 December 2025
		€'000	€'000
ASSETS		(unaudited)	(audited)
Cash and short-term deposits	8	100,409	65,146
Trade and other receivables	9	1,878,186	1,581,941
Trading financial assets	8	1,168,597	631,672
Loans and advances	8	8,095,468	6,794,444
Current tax assets		2,698	1,677
TOTAL ASSETS		**11,245,358**	**9,074,880**
LIABILITIES AND EQUITY			
LIABILITIES			
Trade and other payables	10	828,797	459,539
Trading financial liabilities	8	901,432	394,759
Debt and other borrowings	11	8,353,614	7,059,428
Convertible preferred equity certificates	12	1,125,281	1,125,281
TOTAL LIABILITIES		**11,209,124**	**9,039,007**
EQUITY			
Share capital		15,018	15,018
Retained earnings		21,216	20,855
Equity attributable to owners of the Company		36,234	35,873
TOTAL EQUITY		**36,234**	**35,873**
TOTAL LIABILITIES AND EQUITY		**11,245,358**	**9,074,880**

These condensed financial statements were approved by the Board and authorised for issue on 23 September 2026.

Signed on behalf of the Board

B.A Carey D. Diab D.C. Hiebendaal

T. J. Van Rijn TMF Management B.V.

The notes on pages 12 to 36 form an integral part of the condensed financial statements.

MORGAN STANLEY B.V.

CONDENSED STATEMENT OF CASH FLOWS
Six months ended 30 June 2026

	Six months ended 30 June 2026	Six months ended 30 June 2025
	€'000	€'000
	(unaudited)	(unaudited)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**35,263**	**20,476**
INVESTING ACTIVITY		
Repayment of interest from another Morgan Stanley Group undertaking	39,268	55,206
NET CASH FLOWS FROM INVESTING ACTIVITY	**39,268**	**55,206**
FINANCING ACTIVITIES		
Yield paid on convertible preferred equity certificates	(39,268)	(57,736)
Financing received from another Morgan Stanley Group undertaking	—	2,530
NET CASH FLOWS USED IN FINANCING ACTIVITIES	**(39,268)**	**(55,206)**
NET INCREASE IN CASH AND CASH EQUIVALENTS	35,263	20,476
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	65,146	2,109
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**100,409**	**22,585**

The notes on pages 12 to 36 form an integral part of the condensed financial statements.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
Six months ended 30 June 2026

1. BASIS OF PREPARATION

Statement of compliance

The Company prepares its annual financial statements in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") as adopted by the EU, Interpretations issued by the IFRS Interpretations Committee and Part 9 of Book 2 of the Dutch Civil Code. The condensed financial statements have been prepared in accordance with ("IAS") 34 *'Interim Financial Reporting'* as adopted by the EU.

In preparing these condensed financial statements, the Company has applied consistently the accounting policies and methods of computation used in the Company's annual financial statements for the year ended 31 December 2025.

New standards and interpretations adopted during the period

The following amendments to standards relevant to the Company's operations were adopted during the period. Except where otherwise stated, these amendments to standards did not have a material impact on the Company's condensed financial statements.

Amendments to IFRS 9 'Financial Instruments' ("IFRS 9") and IFRS 7 'Financial Instruments: Disclosures' ("IFRS 7") were issued by the IASB in May 2024 for retrospective application except where otherwise prescribed by transitional provisions of the standard and are effective for annual periods beginning on or after 1 January 2026. The amendments were endorsed by the EU in May 2025.

Annual improvements to IFRS 7 'Financial Instruments: Disclosures', IFRS 9 'Financial Instruments' and IAS 7 'Statement of Cash flows' were issued by IASB in July 2024, for application in annual periods beginning on or after 1 January 2026. The amendments were endorsed by the EU in July 2025.

There were no other standards, amendments to standards or interpretations relevant to the Company's operations which were adopted during the period.

New standards and interpretations not yet adopted

Morgan Stanley Group entities will be implementing IFRS 18 'Presentation and Disclosure in Financial Statements' for annual reporting periods beginning 1 January 2027. The standard introduces a revised structure for the Statement of comprehensive income, including the requirement to classify income and expenses into defined categories (Operating, Investing and Financing), as well as new subtotals, enhanced disclosure requirements, and specific requirements relating to management defined performance measures ("MPMs").

At the date of authorisation of these condensed Financial Statements, based on a preliminary assessment, the Company has identified providing finance to customers as a specified main business activity, consistent with its principal activities. Income and expenses associated with this activity are expected to be classified within the Operating category of the Statement of comprehensive income. The Company expects presentational differences and changes to income and expense, disaggregation and subtotals. The Company continues to finalise its assessment as part of the Morgan Stanley Group-wide implementation project during 2026.

1. BASIS OF PREPARATION (CONTINUED)

Critical accounting judgements and key sources of estimation uncertainty

In preparing the condensed financial statements, the Company makes judgements and estimates that affect the application of accounting policies and reported amounts.

Critical accounting judgements are key decisions made by management in the application of the Company's accounting policies, other than those involving estimations, which have the most significant effects on the amounts recognised in the condensed financial statements.

Key sources of estimation uncertainty represent assumptions and estimations made by management that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year.

No critical accounting judgements have been made in the process of applying the Company's accounting policies that have had a significant effect on the amounts recognised in the condensed financial statements.

The key source of estimation uncertainty is the valuation of Level 3 financial instruments. For further detail refer to note 21 and accounting policy note 3(d) of the Company's 2025 annual financial statements.

The Company evaluates the critical accounting judgements and key sources of estimation uncertainty on an ongoing basis and believes that these are reasonable.

The going concern assumption

The Company's business activities, together with the factors likely to affect its future development, performance and position, are reflected in the Business Review section of the Interim management report on pages 1 to 6. In addition, the notes to the financial statements include the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposures to credit risk and liquidity risk.

Taking the above factors into consideration, the Directors believe that the Company will have access to adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the interim management report and condensed financial statements.

2. NET EXPENSE ON OTHER FINANCIAL INSTRUMENTS HELD AT FAIR VALUE

	Six months ended 30 June 2026 €'000	Six months ended 30 June 2025 €'000
Net expense on:		
Non-trading financial assets at fair value through profit or loss ("FVPL"):		
Trade and other receivables:		
Prepaid equity securities contracts	(1,089)	(3,872)
Financial assets designated at FVPL:		
Loans and advances:		
Loans	124,706	156,410
Financial liabilities designated at FVPL:		
Debt and other borrowings:		
Issued structured notes and other	(190,530)	(300,698)
	(66,913)	(148,160)

3. OTHER REVENUE

	Six months ended 30 June 2026 €'000	Six months ended 30 June 2025 €'000
Management recharges to other Morgan Stanley Group undertakings	487	747
Net foreign exchange gains	2,927	12,228
	3,414	12,975

Management recharges to other Morgan Stanley Group undertakings represents the amount of fees received in relation to intermediary services of €487,000 (six months ended 30 June 2025: €747,000). These are in line with the transfer pricing principles of the Morgan Stanley Group.

Net foreign exchange gains include translation differences that have arisen due to foreign exchange exposure created as a result of hedging assets and liabilities recognised for Morgan Stanley Group reporting purposes.

4. INTEREST INCOME AND INTEREST EXPENSE

All interest income and expense relate to financial assets and financial liabilities at amortised cost and is calculated using the EIR method.

No other gains or losses have been recognised in respect of financial assets measured at amortised cost other than as disclosed as ‘Interest income’, foreign exchange differences disclosed in ‘Other revenue’ (note 3) and ‘Net reversal of impairment loss / (impairment loss) on financial instruments’ (note 6).

No other gains or losses have been recognised in respect of financial liabilities at amortised cost other than as disclosed as ‘Interest expense’ and foreign exchange differences disclosed in ‘Other revenue’ (note 3).

‘Interest expense’ includes the yield payable on Convertible Preferred Equity Certificates (“CPECs”) (see note 12).

5. OTHER EXPENSE

	Six months ended 30 June 2026 €'000	Six months ended 30 June 2025 €'000
Auditors’ remuneration:		
Fees payable to the Company’s auditor and its associates for the audit of the Company’s financial statements	151	205
Management charges from other Morgan Stanley Group undertakings	5,514	2,030
Bank charges	24	20
	5,689	2,255

The Company employed no staff during the period (2025: none).

Management charges from other Morgan Stanley Group undertakings represent reimbursement of residual financing income in line with the transfer pricing principles of the Morgan Stanley Group.

6. NET REVERSAL OF IMPAIRMENT LOSS / (IMPAIRMENT LOSS) ON FINANCIAL INSTRUMENTS

The following table shows the net Expected Credit Loss (“ECL”) reversal / (charge) for the period.

	Six months ended 30 June 2026 €'000	Six months ended 30 June 2025 €'000
Trade and other receivables	31	(162)
	31	(162)

There were no write-offs during the current or prior period.

All of the above impairment losses were calculated on an individual basis. No collective impairment assessments were made during the current or prior period.

7. INCOME TAX EXPENSE

	Six months ended 30 June 2026 €'000	Six months ended 30 June 2025 €'000
Current tax expense	126	192
Adjustments in respect of prior years	—	(4)
Income Tax	126	188

Reconciliation of effective tax rate

The current period income tax expense is equal to (30 June 2025: lower than) that resulting from applying the average standard rate of corporation tax in the Netherlands of 25.8% (30 June 2025: 25.8%), as shown below:

	Six months ended 30 June 2026 €'000	Six months ended 30 June 2025 €'000
Profit before income tax	487	747
Income tax expense using the average standard rate of corporation tax in The Netherlands of 25.8% (30 June 2025: 25.8%)	126	192
Impact on tax of:		
Tax over provided in prior years	—	(4)
Total income tax in the statement of comprehensive income	126	188

The Company is included in a fiscal unity with Archimedes Investments Coöperatieve U.A. and is not a stand-alone taxpayer for Dutch corporate income tax purposes. If, and to the extent that, the Company would benefit from losses of other members of the fiscal unity, these may be settled via inter-company mechanisms.

The Company has no current tax exposure in relation to the OECD Pillar Two Model Rules.

8. FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT CATEGORY

The following table analyses financial assets and financial liabilities as presented in the statement of financial position by the IFRS 9 measurement classifications.

30 June 2026	FVPL (mandatorily)	FVPL (designated)	Amortised cost	Total
	€'000	€'000	€'000	€'000
Cash and short-term deposits	—	—	100,409	100,409
Trade and other receivables:				
Trade receivables	—	—	23,665	23,665
Other receivables	—	—	1,848,141	1,848,141
Prepaid equity securities contracts	6,380	—	—	6,380
Trading financial assets:				
Derivatives	1,168,597	—	—	1,168,597
Loans and advances:				
Loans	—	8,095,468	—	8,095,468
Total financial assets	1,174,977	8,095,468	1,972,215	11,242,660
Trade and other payables:				
Trade payables	—	—	813,271	813,271
Other payables	—	—	15,526	15,526
Trading financial liabilities:				
Derivatives	901,432	—	—	901,432
Debt and other borrowings:				
Issued structured notes	—	7,270,085	—	7,270,085
Other	—	1,083,529	—	1,083,529
Convertible preferred equity certificates	—	—	1,125,281	1,125,281
Total financial liabilities	901,432	8,353,614	1,954,078	11,209,124

8. FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT CATEGORY (CONTINUED)

31 December 2025	FVPL (mandatorily)	FVPL (designated)	Amortised cost	Total
	€'000	€'000	€'000	€'000
Cash and short-term deposits	—	—	65,146	65,146
Trade and other receivables:				
Trade receivables	—	—	29,561	29,561
Other receivables	—	—	1,545,324	1,545,324
Prepaid equity securities contracts	7,056	—	—	7,056
Trading financial assets:				
Derivatives	631,672	—	—	631,672
Loans and Advances:				
Loans	—	6,794,444	—	6,794,444
Total financial assets	638,728	6,794,444	1,640,031	9,073,203
Trade and other payables:				
Trade payables	—	—	426,051	426,051
Other payables	—	—	33,488	33,488
Trading financial liabilities:				
Derivatives	394,759	—	—	394,759
Debt and other borrowings:				
Issued structured notes	—	6,584,098	—	6,584,098
Other	—	475,330	—	475,330
Convertible preferred equity certificates	—	—	1,125,281	1,125,281
Total financial liabilities	394,759	7,059,428	1,584,820	9,039,007

Financial assets and liabilities designated at FVPL

The financial assets and financial liabilities shown in the tables above which are designated at FVPL consist primarily of the following financial assets and financial liabilities:

Structured notes: These relate to financial liabilities which arise from selling structured products generally in the form of notes, certificates and warrants. These instruments contain an embedded derivative which significantly modifies the cash flows of the issuance. The return on the instrument is linked to various underliers including, but not limited to, equity-linked notes. These structured notes are designated at FVPL as the risks to which the Company is a contractual party are risk managed on a fair value basis as part of the Company's trading portfolio and the risk is reported to key management personnel on this basis.

Bonds : These relate to financial liabilities which arise from selling fixed coupon rate bonds, included as other under Debt and Borrowings. The bonds are designated at FVPL as the risks to which the Company is a contractual party are risk managed on a fair value basis as part of the Company's trading portfolio and the risk is reported to key management personnel on this basis.

Loans: These are loans to other Morgan Stanley Group undertakings that, along with the prepaid equity securities contracts and the derivative contracts classified as mandatorily at FVPL, are part of the hedging strategy for the obligations arising pursuant to the issuance of the structured notes.

8. FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT CATEGORY (CONTINUED)

Financial assets and liabilities designated at FVPL (continued)

The Company determines the amount of changes in fair value attributable to changes in counterparty credit risk or own credit risk, as relating to loans and Debt issuances, by first determining the fair value including the impact of counterparty credit risk or own credit risk, and then deducting those changes in fair value representing managed market risk. In determining fair value, the Company considers the impact of changes in own credit spreads based upon observations of the secondary bond market spreads when measuring the fair value for issued structured notes. The Company considers that this approach most faithfully represents the amount of change in fair value due to both counterparty credit risk and the Company's own credit risk.

The carrying amount of financial liabilities designated at FVPL was €47,835,000 lower than the contractual amount due at maturity (31 December 2025: €32,836,000 lower).

At initial recognition of a specific debt issuance program, the Company's issuance process, and any planned hedging structure relating to the issuance of those Debt issuances, has been considered, to determine whether the presentation of fair value changes attributable to credit risk of those Debt issuances through other comprehensive income would create or enlarge an accounting mismatch in the statement of comprehensive income. If financial instruments, such as prepaid equity securities contracts, derivatives and loans held at FVPL, for which changes in fair value incorporating counterparty credit risk are reflected within the statement of comprehensive income, are traded to economically hedge the Debt issuances in full, the fair value incorporating any counterparty credit risk arising on the hedging instruments may materially offset any changes in the credit risk of these liabilities ("DVA") applied to Debt issuances, where the counterparties of the hedging instruments are part of the Morgan Stanley Group. In such cases, the DVA of those Debt issuances is not reflected within other comprehensive income, and instead is presented in the statement of comprehensive income.

The following table presents the change in fair value and the cumulative change recognised in the statement of comprehensive income attributable to own credit risk for issued structured notes and counterparty credit risk for loans.

	Gain or (loss) recognised in the statement of comprehensive income		Cumulative gain or (loss) recognised in the statement of comprehensive income	
	Six months ended 30 June 2026	Six months ended 30 June 2025	30 June 2026	31 December 2025
	€'000	€'000	€'000	€'000
Issued structured notes and other	15,848	6,975	(36,682)	(52,530)
Loans	(15,848)	(6,975)	36,682	52,530
	—	—	—	—

8. FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT CATEGORY (CONTINUED)

The following tables presents the carrying value of the Company's financial liabilities designated at FVPL, classified according to underlying security type, including, single name equities, equity indices and equity portfolio.

30 June 2026	Single name equities	Equity indices	Equity portfolio	Other [1]	Total
	€'000	€'000	€'000	€'000	€'000
Certificates and warrants	247	50,575	6,206	9,945	66,973
Notes	1,167,081	3,270,601	2,161,702	603,728	7,203,112
Bonds	—	—	—	1,083,529	1,083,529
Total debt and other borrowings	1,167,328	3,321,176	2,167,908	1,697,202	8,353,614

31 December 2025	Single name equities	Equity indices	Equity portfolio	Other [1]	Total
	€'000	€'000	€'000	€'000	€'000
Certificates and warrants	576	82,225	6,912	9,544	99,257
Notes	1,024,489	3,384,783	1,472,901	602,668	6,484,841
Bonds	—	—	—	475,330	475,330
Total debt and other borrowings	1,025,065	3,467,008	1,479,813	1,087,542	7,059,428

[1] Other includes fixed coupon bonds and structured notes that have coupon or repayment terms linked to the performance of funds, debt securities, currencies or commodities.

The majority of the Company's financial liabilities designated at FVPL provide exposure to an underlying single name equity, an equity index or portfolio of equities. The prepaid equity securities contracts, derivative contracts and loans held at FVPL that the Company enters into in order to hedge the Debt issuances are valued as detailed in note 3(d) and note 21(a) of the Company's 2025 annual financial statements and have similar valuation inputs to the liabilities they hedge.

9. TRADE AND OTHER RECEIVABLES

	30 June 2026	31 December 2025
	€'000	€'000
Trade and other receivables (amortised cost)		
Trade receivables:		
Amounts due from other Morgan Stanley Group undertakings	23,665	29,561
Other receivables:		
Amounts due from other Morgan Stanley Group undertakings	1,848,189	1,545,403
Less: ECL allowance	(48)	(79)
	1,848,141	1,545,324
Total trade and other receivables (amortised cost)	1,871,806	1,574,885
Other receivables (non-trading at FVPL)		
Prepaid equity securities contracts	6,380	7,056
Total	1,878,186	1,581,941

10. TRADE AND OTHER PAYABLES

	30 June 2026	31 December 2025
	€'000	€'000
Trade and other payables (amortised cost)		
Trade payables:		
Amounts due to other Morgan Stanley Group undertakings	813,271	426,051
Other payables:		
Amounts due to other Morgan Stanley Group undertakings	15,526	33,488
Total	828,797	459,539

11. DEBT AND OTHER BORROWINGS

	30 June 2026	31 December 2025
	€'000	€'000
Debt and other borrowings (designated at FVPL)		
Issued structured notes	7,270,085	6,584,098
Other	1,083,529	475,330
	8,353,614	7,059,428

Refer to note 8 for details of issued structured notes and bonds included within debt and other borrowings designated at FVPL.

12. CONVERTIBLE PREFERRED EQUITY CERTIFICATES

On 30 March 2012, the Company issued 11,252,813 of CPECs of €100 each, classified as financial liabilities at amortised cost. The CPECs were issued to one of the Company's shareholders, Archimedes Investments Coöperatieve U.A. (a Morgan Stanley Group undertaking), in exchange for cash consideration of €1,125,281,000.

The CPECs carry no voting rights. The Company and the holder have the right to convert each issued CPEC into one ordinary share with a nominal value of €100.

On 27 February 2018, the maturity date of the CPECs was amended from 150 years to 49 years from the date of issuance. The CPECs may be redeemed earlier at the option of the Company or on liquidation of the Company.

The CPECs rank ahead of the ordinary shares in the event of liquidation.

The holder of the CPECs is entitled to receive an annual yield on a date agreed by the Company and the holder. The yield for each CPEC is calculated as income deriving from the Company's activities less the necessary amounts to cover the costs of the Company divided by the number of CPECs then in issue. Other income relating to management recharges received from other Morgan Stanley Group undertakings and gains or losses from financial instruments designated or mandatorily at fair value through profit or loss are excluded from the calculation.

On 27 March 2026, the Company paid the accrued yield of €39,268,000 (28 March 2025: €57,736,000) to the holders of the CPECs. An accrued yield for the period ended 30 June 2026 of €20,485,000 has been recognised in the condensed statement of comprehensive income in ‘Interest expense’ (30 June 2025: €33,782,000). The liability to the holders of the CPECs at 30 June 2026, recognised within ‘Trade and other payables’, is €13,808,000 (31 December 2025: €32,591,000).

13. SEGMENT REPORTING

Segment information is presented in respect of the Company’s business and geographical segments. The business segments and geographical segments are based on the Company’s management and internal reporting structure. Transactions between business segments are on normal commercial terms and conditions.

Business segments

Morgan Stanley structures its business segments primarily based upon the nature of the financial products and services provided to customers and Morgan Stanley’s internal management structure. The Company’s own business segments are consistent with those of Morgan Stanley.

The Company has one reportable business segment, Institutional Securities, which provides financial services to financial institutions. Its business includes the issuance of financial instruments and the hedging of the obligations arising pursuant to such issuances.

Geographical segments

The Company operates in three geographic regions as listed below:

- Europe, Middle East and Africa (“EMEA”)
- Americas
- Asia

13. SEGMENT REPORTING (CONTINUED)

Geographical segments (continued)

The following table presents selected condensed statement of comprehensive income and condensed statement of financial position information of the Company's operations by geographic area. The revenues (net of interest) and total assets disclosed in the following table reflect the regional view of the Company's operations, on a managed basis. The basis for attributing revenues (net of interest) and total assets is determined by trading desk location.

	EMEA		Americas		Asia		Total	
	30 June 2026	30 June 2025	30 June 2026	30 June 2025	30 June 2026	30 June 2025	30 June 2026	30 June 2025
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Revenues (net of interest)	5,887	2,795	180	301	78	68	6,145	3,164
Profit before income tax	229	378	180	301	78	68	487	747

	EMEA		Americas		Asia		Total	
	30 June 2026	December 2025	30 June 2026	December 2025	30 June 2026	December 2025	30 June 2026	December 2025
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Total assets	4,272,656	4,089,716	3,848,472	3,109,551	3,124,230	1,875,613	11,245,358	9,074,880

All of the Company's external revenue (30 June 2025: 100%) arises from transactions with other Morgan Stanley Group undertakings.

14. FINANCIAL RISK MANAGEMENT

Risk management procedures

The company's risk management procedures are consistent with those disclosed in the Company's 2025 annual financial statements. This disclosure is limited to quantitative data for each risk category and should be read in conjunction with the risk management procedures detailed in note 19 of the Company's 2025 annual financial statements.

Credit risk

Exposure to credit risk

The maximum exposure to credit risk ('gross credit exposure') of the Company as at 30 June 2026 is disclosed below, based on the carrying amounts of the financial assets which the Company believes are subject to credit risk. The table includes financial instruments subject to ECL and not subject to ECL. Those financial instruments that bear credit risk but are not subject to ECL are subsequently measured at fair value. This table does not include receivables arising from pending securities transactions with market counterparties as credit risk is considered insignificant. Where the Company enters into credit enhancements, including receiving cash and security as collateral and master netting agreements, to manage the credit exposure on these financial instruments the financial effect of the credit enhancements is also disclosed below. The net credit exposure represents the credit exposure remaining after the effect of the credit enhancements.

The Company does not have any significant exposure arising from items not recognised on the condensed statement of financial position.

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

Collateral and other credit enhancements

The Company has entered into collateral arrangements with other Morgan Stanley Group undertakings to mitigate credit risk. Collateral held is managed in accordance with the Morgan Stanley Group's guidelines and the relevant underlying agreements.

Exposure to credit risk by class

	30 June 2026			31 December 2025		
Class	**Gross credit exposure(1) €'000**	**Credit enhancements €'000**	**Net credit exposure €'000**	**Gross credit exposure(1) €'000**	**Credit enhancements €'000**	**Net credit exposure €'000**
Subject to ECL:						
Cash and short-term deposits	100,409	—	100,409	65,146	—	65,146
Trade and other receivables(2)	1,871,806	—	1,871,806	1,574,964	—	1,574,964
Not subject to ECL:						
Trade and other receivables(2):						
Prepaid equity securities contracts	6,380	(6,380)	—	7,056	(7,056)	—
Trading financial assets	1,168,597	(1,020,521)	148,076	631,672	(515,276)	116,396
Loans and advances	8,095,468	—	8,095,468	6,794,444	—	6,794,444
	11,242,660	(1,026,901)	10,215,759	9,073,282	(522,332)	8,550,950

(1) The carrying amount recognised in the condensed statement of financial position best represents the Company's maximum exposure to credit risk.
(2) At 30 June 2026 net cash collateral pledged €nil was recognised in trade and other receivables in the statement of financial position against derivatives classified as trading financial assets/liabilities and prepaid equity securities contract. At 31 December 2025, trade and other receivables included net cash collateral pledged of €6,991,000. Cash collateral is determined and settled on a net basis.

Exposure to credit risk by internal rating grades

Internal credit ratings, as below, are derived using methodologies generally consistent with those used by external agencies.

Investment grade: AAA - BBB
Non-investment grade: BB - CCC
Default: D

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

Exposure to credit risk by internal rating grades (continued)

The tables below show gross carrying amounts and, in the case of unrecognised financial instruments, nominal amounts by internal rating grade. All exposures subject to ECL are Stage 1.

30 June 2026	Investment grade					
	AA	A	BBB	Total	Loss allowance	Net of ECL
	€'000	€'000	€'000	€'000	€'000	€'000
Subject to ECL:						
Cash and short-term deposits	124	100,282	3	100,409	—	100,409
Trade and other receivables[1]	—	1,871,854	—	1,871,854	(48)	1,871,806
Total subject to ECL	**124**	**1,972,136**	**3**	**1,972,263**	**(48)**	**1,972,215**
Not subject to ECL:						
Trade and other receivables:						
Prepaid equity securities contracts	—	6,380	—	6,380	—	6,380
Trading financial assets – derivatives	—	1,168,597	—	1,168,597	—	1,168,597
Loans and advances	—	8,095,468	—	8,095,468	—	8,095,468
Total not subject to ECL	**—**	**9,270,445**	**—**	**9,270,445**	**—**	**9,270,445**

31 December 2025	Investment grade					
	AA	A	BBB	Total	Loss allowance	Net of ECL
	€'000	€'000	€'000	€'000	€'000	€'000
Subject to ECL:						
Cash and short-term deposits	251	64,895	—	65,146	—	65,146
Trade and other receivables[1]	—	1,574,964	—	1,574,964	(79)	1,574,885
Total subject to ECL	**251**	**1,639,859**	**—**	**1,640,110**	**(79)**	**1,640,031**
Not subject to ECL:						
Trade and other receivables:						
Prepaid equity securities contracts	—	7,056	—	7,056	—	7,056
Trading financial assets – derivatives	—	631,672	—	631,672	—	631,672
Loans and advances	—	6,794,444	—	6,794,444	—	6,794,444
Total not subject to ECL	**—**	**7,433,172**	**—**	**7,433,172**	**—**	**7,433,172**

(1) At 30 June 2026, there were no financial assets past due but not impaired or individually impaired (31 December 2025: €nil).

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk

Maturity analysis

In the following maturity analysis of financial assets and financial liabilities, derivative contracts and other financial instruments held at FVPL are disclosed according to their earliest contractual maturity; all such amounts are presented at their fair value, consistent with how these financial instruments are managed. All other amounts represent undiscounted cash flows receivable and payable by the Company arising from its financial assets and financial liabilities to earliest contractual maturities as at 30 June 2026 and 31 December 2025. Receipts of financial assets and repayments of financial liabilities that are subject to immediate notice are treated as if notice were given immediately and are classified as on demand. This presentation is considered by the Company to appropriately reflect the liquidity risk arising from these financial assets and financial liabilities, presented in a way that is consistent with how the liquidity risk on these financial assets and financial liabilities is managed by the Company.

30 June 2026	On demand	Less than 1 year	1 year - 2 years	2 years - 5 years	Greater than 5 years	Total
	€'000	€'000	€'000	€'000	€'000	€'000
Financial assets						
Cash and short-term deposits	100,409	—	—	—	—	100,409
Trade and other receivables:						
Trade receivables	23,665	—	—	—	—	23,665
Other receivables	1,848,141	—	—	—	—	1,848,141
Prepaid equity securities contracts	6,380	—	—	—	—	6,380
Trading financial assets:						
Derivatives	—	467,669	104,432	551,670	44,826	1,168,597
Loans and advances:						
Loans	83	2,947,253	844,260	3,311,243	992,629	8,095,468
Total financial assets	**1,978,678**	**3,414,922**	**948,692**	**3,862,913**	**1,037,455**	**11,242,660**
Financial liabilities						
Trade and other payables:						
Trade payables	813,271	—	—	—	—	813,271
Other payables	15,526	—	—	—	—	15,526
Trading financial liabilities:						
Derivatives	83	503,106	47,633	290,124	60,486	901,432
Debt and other borrowings:						
Issued structured notes	6,828	2,895,969	901,059	2,489,260	976,969	7,270,085
Other	—	—	—	1,083,529	—	1,083,529
Convertible preferred equity certificates	1,125,281	—	—	—	—	1,125,281
Total financial liabilities	**1,960,989**	**3,399,075**	**948,692**	**3,862,913**	**1,037,455**	**11,209,124**

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

Maturity analysis (continued)

31 December 2025	On demand	Less than 1 year	1 year - 2 years	2 years - 5 years	Greater than 5 years	Total
	€'000	€'000	€'000	€'000	€'000	€'000
Financial assets						
Cash and short-term deposits	65,146	—	—	—	—	65,146
Trade and other receivables:						
Trade receivables	29,561	—	—	—	—	29,561
Other receivables	1,545,324	—	—	—	—	1,545,324
Prepaid equity securities contracts	7,056	—	—	—	—	7,056
Trading financial assets:						
Derivatives	—	145,674	125,379	284,998	75,621	631,672
Loans and advances:						
Loans	62	1,843,739	752,825	2,869,433	1,328,385	6,794,444
Total financial assets	**1,647,149**	**1,989,413**	**878,204**	**3,154,431**	**1,404,006**	**9,073,203**
Financial liabilities						
Trade and other payables:						
Trade payables	426,051	—	—	—	—	426,051
Other payables	33,488	—	—	—	—	33,488
Trading financial liabilities:						
Derivatives	64	142,129	99,145	83,030	70,391	394,759
Debt and other borrowings:						
Issued structured notes	7,539	1,867,815	779,058	2,596,071	1,333,615	6,584,098
Other	—	—	—	475,330	—	475,330
Convertible preferred equity certificates	1,125,281	—	—	—	—	1,125,281
Total financial liabilities	**1,592,423**	**2,009,944**	**878,203**	**3,154,431**	**1,404,006**	**9,039,007**

Market risk

Market risk is defined by IFRS 7 as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Company manages the market risk associated with its trading activities at a legal entity, trading division and at an individual products level.

Sound market risk management is an integral part of the Company's culture. The Company is responsible for ensuring that market risk exposures are well-managed and monitored. The Company also ensures transparency of material market risks, monitors compliance with established limits, and escalates risk concentrations to appropriate senior management.

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk (continued)

To execute these responsibilities, the Morgan Stanley Group monitors the market risk of the firm against limits on aggregate risk exposures, performs a variety of risk analyses including monitoring Value-at-risk ("VaR") and stress testing analyses, routinely reports risk summaries and maintains the VaR and scenario analysis methodologies. The Company is managed within the Morgan Stanley Group's global framework. The market risk management policies and procedures of the Company include performing risk analyses and reporting any material risks identified to appropriate senior management of the Company.

The Company enters into the majority of its financial asset transactions with other Morgan Stanley Group undertakings, where both the Company and the other Morgan Stanley Group undertakings are wholly-owned subsidiaries of the same group parent entity, Morgan Stanley.

The Company actively manages its market risk by hedging with other Morgan Stanley Group undertakings. The residual market risk on the entity is not material.

15. FINANCIAL ASSETS AND FINANCIAL LIABILITIES SUBJECT TO OFFSETTING

In the following table:

– 'Gross amounts' include transactions which are not subject to master netting agreements or collateral agreements or are subject to such agreements, but the Company has not determined the agreements to be legally enforceable.

– 'Amounts not offset in the condensed statement of financial position' are transactions where master netting arrangements and collateral arrangements have been determined by the Company to be legally enforceable, but do not meet all criteria required for net presentation.

15. FINANCIAL ASSETS AND FINANCIAL LIABILITIES SUBJECT TO OFFSETTING (CONTINUED)

	Gross and net amounts presented in the statement of financial position(1)	Amounts not offset in the statement of financial position(2) (4)	Net exposure
		Cash collateral(3)	
	€'000	€'000	€'000
30 June 2026			
Assets			
Trade and other receivables:			
Prepaid equity securities contracts	6,380	(6,380)	—
Trading financial assets:			
Derivatives	1,168,597	(1,020,521)	148,076
TOTAL	1,174,977	(1,026,901)	148,076
Liabilities			
Trading financial liabilities:			
Derivatives	901,432	(236,923)	664,509
Debt and other borrowings:			
Issued structured notes & other	8,353,614	—	8,353,614
TOTAL	9,255,046	(236,923)	9,018,123
31 December 2025			
Assets			
Trade and other receivables:			
Prepaid equity securities contracts	7,056	(7,056)	—
Trading financial assets:			
Derivatives	631,672	(515,276)	116,396
TOTAL	638,728	(522,332)	116,396
Liabilities			
Trading financial liabilities:			
Derivatives	394,759	(121,823)	272,936
Debt and other borrowings:			
Issued structured notes & other	7,059,428	—	7,059,428
TOTAL	7,454,187	(121,823)	7,332,364

(1) Amounts include €148,076,000 (31 December 2025: €116,396,000) of trading financial assets – derivatives, €nil (31 December 2025: €nil) of trade and other receivables – prepaid equity securities contracts, €108,281,000 (31 December 2025: €83,749,000) of trading financial liabilities – derivatives and €8,287,202,000 (31 December 2025: €6,940,943,000) of debt and other borrowings – issued structured notes which are either not subject to master netting agreements or collateral agreements or are subject to such agreements but the Company has not determined the agreements to be legally enforceable.

(2) Amounts relate to master netting arrangements and collateral arrangements which have been determined by the Company to be legally enforceable but do not meet all criteria required for net presentation within the condensed statement of financial position.

(3) Cash collateral used to mitigate credit risk on exposures arising under derivatives contracts and prepaid equity securities contracts is determined and settled on a net basis and has been recognised in the condensed statement of financial position within ‘Trade and other receivables’ and ‘Trade and other payables’ in 2026 (2025: within ‘Trade and other receivables’ and ‘Trade and other payables’).

16. ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

a. Financial assets and liabilities recognised at fair value on a recurring basis

The following tables present the carrying value of the Company's financial assets and financial liabilities recognised at fair value on a recurring basis, classified according to the fair value hierarchy. The information below is limited to quantitative information and should be read in conjunction with note 21 of the Company's 2025 annual financial statements.

30 June 2026	**Quoted prices in active market (Level 1) €'000**	**Valuation techniques using observable inputs (Level 2) €'000**	**Valuation techniques with significant unobservable inputs (Level 3) €'000**	**Total €'000**
Trade and other receivables:				
Prepaid equity securities contracts	—	6,380	—	6,380
Trading financial assets:				
Derivatives				
Interest rate contracts	—	4,494	2,155	6,649
Equity and other contracts	—	1,111,096	17,666	1,128,762
Foreign exchange contracts	—	33,186	—	33,185
	—	1,148,776	19,821	1,168,597
Loans and advances:				
Loans	—	8,095,468	—	8,095,468
Total financial assets measured at fair value	—	9,250,624	19,821	9,270,445
Trading financial liabilities:				
Derivatives				
Interest rate contracts	—	239,581	689	240,270
Equity and other contracts[(1)]	—	624,999	31,381	656,380
Foreign exchange contracts	—	4,782	—	4,782
	—	869,362	32,070	901,432
Debt and other borrowings:				
Certificates and warrants	—	66,973	—	66,973
Notes	—	7,164,553	38,559	7,203,112
Others	—	1,083,529	—	1,083,529
Total debt and other borrowings	—	8,315,055	38,559	8,353,614
Total financial liabilities measured at fair value	—	9,184,417	70,629	9,255,046

(1) ETPs are classified as equity and other contracts. These ETPs are not actively traded and are valued using the same techniques as those applied to OTC derivatives and are classified as level 2.

16. ASSETS AND LIABILITIES MEASURED AT FAIR VALUE (CONTINUED)

a. Financial assets and liabilities recognised at fair value on a recurring basis (continued)

31 December 2025	Quoted prices in active market (Level 1) €'000	Valuation techniques using observable inputs (Level 2) €'000	Valuation techniques with significant unobservable inputs (Level 3) €'000	Total €'000
Trade and other receivables:				
Prepaid equity securities contracts	—	7,056	—	7,056
Trading financial assets:				
Derivatives				
Interest rate contracts	—	6,452	—	6,452
Equity and other contracts	—	597,665	27,555	625,220
	—	604,117	27,555	631,672
Loans and advances:				
Loans	—	6,794,444	—	6,794,444
Total financial assets measured at fair value	—	7,405,617	27,555	7,433,172
Trading financial liabilities:				
Derivatives				
Interest rate contracts	—	178,184	8,513	186,697
Equity and other contracts[1]	—	170,621	35,051	205,672
Foreign exchange contracts	—	2,390	—	2,390
	—	351,195	43,564	394,759
Debt and other borrowings:				
Certificates and warrants		99,257	—	99,257
Notes		6,435,022	49,819	6,484,841
Other	—	475,330	—	475,330
Total debt and other borrowings	—	7,009,609	49,819	7,059,428
Total financial liabilities measured at fair value	—	7,360,804	93,383	7,454,187

[1] ETPs are classified as equity and other contracts. These ETPs are not actively traded and are valued using the same techniques as those applied to OTC derivatives and are classified as level 2.

16. ASSETS AND LIABILITIES MEASURED AT FAIR VALUE (CONTINUED)

b. Transfers between Level 1 and Level 2 of the fair value hierarchy for financial assets and liabilities recognised at fair value on a recurring basis

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the current period and prior year.

c. Changes in Level 3 financial assets and liabilities recognised at fair value on a recurring basis

The following tables present the changes in the fair value of the Company's Level 3 financial assets and financial liabilities for the period ended 30 June 2026 and year ended 31 December 2025. Level 3 instruments may be hedged with instruments classified in Level 2. The realised and unrealised gains / (losses) for assets and liabilities within the Level 3 category presented in the following tables do not reflect the related realised and unrealised gains / (losses) on hedging instruments that have been classified by the Company within the Level 2 category.

Unrealised gains / (losses) during the period for assets and liabilities within the Level 3 category presented in the following tables herein may include changes in fair value during the period that were attributable to both observable and unobservable inputs.

30 June 2026

	Balance at 1 January 2026	Total gains or (losses) recognised in statement of comprehensive income (1)	Purchases	Issuances	Settlements	Transfers into Level 3 (2)	Transfers out of Level 3 (2)	Balance at 30 June 2026	Unrealised gains or (losses) for Level 3 assets/ (liabilities) outstanding as at 30 June 2026 (3)
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Trading financial liabilities:									
Net derivative contracts (4)	(16,009)	27,479	1,951	(3,605)	(2,520)	(9,922)	(9,623)	(12,249)	20,710
Debt and other borrowings:									
Issued structured notes	(49,819)	(845)	—	(22,703)	1,549	(534)	33,793	(38,559)	(1,622)
Net financial liabilities measured at fair value	**(65,828)**	**26,634**	**1,951**	**(26,308)**	**(971)**	**(10,456)**	**24,170**	**(50,808)**	**19,088**

(1) The total gains or (losses) are recognised in the condensed statement of comprehensive income as detailed in the financial instruments accounting policy in the Company's 2025 annual financial statements.
(2) For financial assets and financial liabilities that were transferred into and out of Level 3 during the period, gains or (losses) are presented as if the assets or liabilities had been transferred into or out of Level 3 as at the beginning of the period.
(3) Amounts represent unrealised gains or (losses) for the period ended 30 June 2026 related to assets and liabilities still outstanding at 30 June 2026. The unrealised gains or (losses) are recognised in the condensed statement of comprehensive income as detailed in the financial instruments accounting policy in the Company's 2025 annual financial statements.
(4) Net derivative contracts represent trading financial assets – derivative contracts net of trading financial liabilities – derivative contracts.

16. ASSETS AND LIABILITIES MEASURED AT FAIR VALUE (CONTINUED)

c. Changes in Level 3 financial assets and liabilities recognised at fair value on a recurring basis (continued)

During the period, the Company reclassified €9,922,000 net derivative contracts (31 December 2025: €14,944,000) and €534,000 of issued structured notes (31 December 2025: €20,110,000) from Level 2 to Level 3. The reclassifications were due to positions where the unobservable inputs are now significant and the lack of observability of the valuation inputs.

During the period, the Company reclassified €9,623,000 of net derivative contracts (31 December 2025: €13,230,000) and €33,792,000 of issued structured notes (31 December 2025: €58,357,000) from Level 3 to Level 2. The reclassifications were due to the unobservable inputs deemed to be no longer significant against the positions valuations.

31 December 2025

	Balance at 1 January 2025	Total gains or (losses) recognised in statement of comprehensive income (1)	Purchases	Issuances	Settlements	Transfers into Level 3 (2)	Transfers out of Level 3 (2)	Balance at 31 December 2025	Unrealised gains or (losses) for Level 3 assets/ (liabilities) outstanding as at 31 December 2025 (3)
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Trading financial liabilities:									
Net derivative contracts (4)	(41,677)	38,167	2,646	(6,303)	(7,128)	(14,944)	13,230	(16,009)	22,729
Debt and other borrowings:									
Issued structured notes	(79,171)	11,477	—	(40,288)	19,916	(20,110)	58,357	(49,819)	11,882
Net financial liabilities measured at fair value	**(120,848)**	**49,644**	**2,646**	**(46,591)**	**12,788**	**(35,054)**	**71,587**	**(65,828)**	**34,611**

(1) The total gains or (losses) are recognised in the condensed statement of comprehensive income as detailed in the financial instruments accounting policy in the Company's 2025 annual financial statements.
(2) For financial assets and financial liabilities that were transferred into and out of Level 3 during the period, gains or (losses) are presented as if the assets or liabilities had been transferred into or out of Level 3 as at the beginning of the period.
(3) Amounts represent unrealised gains or (losses) for the period ended 31 December 2025 related to assets and liabilities still outstanding at 31 December 2025. The unrealised gains or (losses) are recognised in the condensed statement of comprehensive income as detailed in the financial instruments accounting policy in the Company's 2025 annual financial statements.
(4) Net derivative contracts represent trading financial assets – derivative contracts net of trading financial liabilities – derivative contracts.

16. ASSETS AND LIABILITIES MEASURED AT FAIR VALUE (CONTINUED)

d. Valuation of Level 3 financial assets and liabilities recognised at fair value on a recurring basis

The following disclosures provide information on the sensitivity of fair value measurements to key inputs and assumptions.

1. Quantitative information about and qualitative sensitivity of significant unobservable inputs.

   The following table provides information on the valuation techniques, significant unobservable inputs and their ranges and averages for each material category of assets and liabilities measured at fair value on a recurring basis.

   The level of aggregation and breadth of products cause the range of inputs to be wide and not evenly distributed across the inventory. 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. The following disclosures also include qualitative information on the sensitivity of the fair value measurements to changes in the significant unobservable inputs. There are no predictable relationships between multiple significant unobservable inputs attributable to a given valuation technique. A single amount is disclosed when there is no significant difference between the minimum, maximum and average (weighted average or similar average / median).

30 June 2026

	Fair value €'000	Predominant valuation techniques/ Significant unobservable inputs	Range [(2)] (Averages)[(3)]
LIABILITIES			
Net derivative contracts:[(1)]			
- Interest rate	1,467	Option model	
		Interest rate volatility skew	60% - 84% (68%)
		Net asset value ("NAV")	N/M (N/M)
- Equity	(13,716)	Option model	
		Equity volatility	3% to 107% (30%)
		Equity volatility skew	-5% to 1% (-1%)
		Equity - Equity correlation	15% to 99% (68%)
		Equity - Foreign exchange correlation	-72% to 55% (-26%)
Debt and other borrowings:			
- Issued Structured Notes	(38,559)	Option model	
		Equity volatility	9% to 79% (23%)
		Equity volatility skew	-2% to 0% (-1%)
		Equity - equity correlation	20% to 99% (58%)
		Equity - foreign exchange correlation	-50% to 13% (-13%)
		Interest rate curve correlation	N/M (N/M)

(1) Net derivative contracts represent trading financial liabilities – derivative contracts net of trading financial assets – derivative contracts.

(2) The ranges of significant unobservable inputs are represented in percentages.

(3) Amounts represent weighted averages except where simple averages and the median of the inputs are provided when more relevant.

(4) "N/M" - Not meaningful

16. ASSETS AND LIABILITIES MEASURED AT FAIR VALUE (CONTINUED)

d. Valuation of Level 3 financial assets and liabilities recognised at fair value on a recurring basis (continued)

31 December 2025	**Fair value €'000**	**Predominant valuation techniques/ Significant unobservable inputs**	**Range [(2)] (Averages)[(3)]**
LIABILITIES			
Net derivative contracts: [(1)]			
- Interest rate	(8,513)	Option model	
		Interest rate curve correlation	61% - 83% (69%)
		Net asset value ("NAV")	N/M (N/M)
- Equity	(7,496)	Option model	
		Equity volatility	3% to 69% (22%)
		Equity volatility skew	-4% to 1% (-1%)
		Equity - Equity correlation	10% to 95% (66%)
		Equity - Foreign exchange correlation	-72% to 55% (-30%)
Debt and other borrowings:			
- Issued Structured Notes	(49,819)	Option model	
		Equity volatility	9% to 65% (27%)
		Equity volatility skew	-2% to 1% (1%)
		Equity - equity correlation	20% to 98% (57%)
		Equity - foreign exchange correlation	-53% to 22% (-20%)
		Interest rate curve correlation	N/M (N/M)

(1) Net derivative contracts represent trading financial liabilities – derivative contracts net of trading financial assets – derivative contracts.

(2) The ranges of significant unobservable inputs are represented in percentages.

(3) Amounts represent weighted averages except where simple averages and the median of the inputs are provided when more relevant.

(4) "N/M" - Not meaningful

A description of significant unobservable inputs included in the tables above for all major categories of assets and liabilities is included within note 21 of the Company's 2025 annual financial statements.

16. ASSETS AND LIABILITIES MEASURED AT FAIR VALUE (CONTINUED)

d. Valuation of Level 3 financial assets and liabilities recognised at fair value on a recurring basis (continued)

2. Sensitivity of fair values to changing significant assumptions to reasonably possible alternatives.

The following table presents the potential impact of both favourable and unfavourable changes, both of which would be reflected in the condensed statement of comprehensive income:

	30 June 2026 (2)		31 December 2025 (2)	
	Favourable changes	Unfavourable changes	Favourable changes	Unfavourable changes
	€'000	€'000	€'000	€'000
Trading financial liabilities:				
Net derivatives contracts(1)	3,002	(2,979)	1,735	(1,753)
Debt and other borrowings:				
Issued structured notes	103	(103)	535	(442)
	3,105	(3,082)	2,270	(2,195)

(1) Net derivative contracts represent trading financial assets – derivative contracts net of trading financial liabilities – derivative contracts. The reasonably possible alternative assumptions are applied to derivative assets and derivative liabilities separately when assessing potential variability of the fair value measurement.
(2) The difference between the total favourable and total unfavourable changes is primarily a result of net derivative contracts classified as Level 3 in the fair value hierarchy hedging issued structured notes which can be classified as either Level 2 or Level 3 in the fair value hierarchy.

e. Assets and liabilities measured at fair value on a non-recurring basis

Non-recurring fair value measurements of assets and liabilities are those which are required or permitted in the condensed statement of financial position in particular circumstances. There were no assets or liabilities measured at fair value on a non-recurring basis during the current period or prior year.

17. ASSETS AND LIABILITIES NOT MEASURED AT FAIR VALUE

For all financial instruments not measured at fair value, the carrying amount is considered to be a reasonable approximation of fair value due to the short-term nature of these assets and liabilities.

Regarding the CPECs, their carrying value including the accrued yield in ‘Trade and other payables’, as detailed in note 10, are considered in aggregate as an approximation of their fair value.

18. EVENTS AFTER THE REPORTING PERIOD

There have been no significant events since the reporting date.

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Independent auditor’s review report

To the shareholder of Morgan Stanley B.V.

Our conclusion

We have reviewed the condensed company interim financial information for the six-months period ended 30 June 2026 of Morgan Stanley B.V. based in Amsterdam.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information for the six-months period ended 30 June 2026 of Morgan Stanley B.V. is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union.

The interim financial information comprises:

- the condensed balance sheet as at 30 June 2026
- the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cashflows for the period from 1 January 2026 to 30 June 2026; and
- the notes comprising material accounting policy information and other explanatory information.

Basis for our conclusion

We conducted our review in accordance with Dutch law, including the Dutch Standard 2410 (review of interim financial information performed by the independent auditor of the entity). A review of interim financial information in accordance with the Dutch Standard 2410 is a limited assurance engagement. Our responsibilities under this standard are further described in the 'Our responsibilities for the review of the interim financial information' section of our report.

We are independent of Morgan Stanley B.V. in accordance with the Code of Ethics for Professional Accountants, a regulation with respect to independence (“ViO”) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Dutch Code of Ethics (“VGBA”).

We believe the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of management for the interim financial information

Management is responsible for the preparation of the interim financial information in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the interim financial information that is free from material misstatement, whether due to fraud or error.

Our responsibilities for the review of the interim financial information

Our responsibility is to plan and perform the review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

The level of assurance obtained in a review engagement is substantially less than the level of assurance obtained in an audit conducted in accordance with the Dutch Standards on Auditing. Accordingly, we do not express an audit opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the review, in accordance with Dutch Standard 2410.

Our review included among others:

- Obtaining an understanding in the entity and its environment, including its internal control, and the applicable financial reporting framework, in order to identify areas in the interim financial information where material misstatements are likely to arise due to fraud or error, designing and performing procedures to address those areas, and obtaining assurance evidence that is sufficient and appropriate to provide a basis for our conclusion;
- Obtaining an understanding of internal control, as it relates to the preparation of interim financial information;
- Making inquiries of management and others within the entity;
- Applying analytical procedures with respect to information included in the interim financial information;
- Obtaining assurance evidence that the interim financial information agrees with or reconciles to the entity's underlying accounting records;
- Evaluating the assurance evidence obtained;
- Considering whether there have been any changes in accounting principles or in the methods of applying them and whether any new transactions have necessitated the application of a new accounting principle;
- Considering whether management has identified all events that may require adjustment to or disclosure in the interim financial information; and

Our responsibilities for the review of the interim financial information (Continued)

- Considering whether the interim financial information has been prepared in accordance with the applicable financial reporting framework and represents the underlying transactions free from material misstatement.

Amsterdam, 23 September 2026
Forvis Mazars Accountants N.V.

J.C. van Oldenbeek MSc RA