UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 20, 2015

Morgan Stanley

(Exact name of Registrant as specified
in its charter)

Delaware	1-11758	36-3145972
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

1585 Broadway, New York, New York 10036

(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: (212) 761-4000

(Former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition

On July 20, 2015, Morgan Stanley (the "Registrant") released financial information with respect to its quarter ended June 30, 2015. A copy of the press release containing this information is annexed as Exhibit 99.1 to this Report and by this reference incorporated herein and made a part hereof. In addition, a copy of the Registrant's Financial Data Supplement for its quarter ended June 30, 2015 is annexed as Exhibit 99.2 to this Report and by this reference incorporated herein and made a part hereof.

The information furnished under Item 2.02 of this Report, including Exhibit 99.1 and Exhibit 99.2, shall be deemed to be "filed" for purposes of the Securities Exchange Act of 1934, as amended.

Item 9.01. Financial Statements and Exhibits

99.1 Press release of the Registrant, dated July 20, 2015, containing financial information for the quarter ended June 30, 2015.

99.2 Financial Data Supplement of the Registrant for the quarter ended June 30, 2015.

SIGNATURE

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

MORGAN STANLEY
(Registrant)

By: /s/ Paul C. Wirth
Paul C. Wirth
Deputy Chief Financial Officer

Dated: July 20, 2015

Exhibit 99.1

Media Relations: Michele Davis 212-761-9621 Investor Relations: Kathleen McCabe 212-761-4469

Morgan Stanley

Morgan Stanley Reports Second Quarter 2015:

- **Net Revenues of $9.7 Billion and Earnings per Diluted Share of $0.85**
- **Excluding DVA,[1] Net Revenues of $9.6 Billion and Earnings per Diluted Share of $0.79[2,3,4]**
- **Continued Strength in Equity Sales & Trading; Investment Banking Ranked #1 in Global IPOs and #2 in Global Announced M&A[5]**
- **Wealth Management Pre-Tax Margin of 23%[6]**

NEW YORK, July 20, 2015 – Morgan Stanley (NYSE: MS) today reported net revenues of $9.7 billion for the second quarter ended June 30, 2015 compared with $8.6 billion a year ago. For the current quarter, net income applicable to Morgan Stanley was $1.8 billion, or $0.85 per diluted share,[7] compared with net income of $1.9 billion, or $0.92 per diluted share,[7] for the same period a year ago. The earnings for the prior year second quarter included a net discrete tax benefit of $609 million or $0.31 per diluted share, principally related to the remeasurement of reserves and related interest.[8]

Excluding DVA, net revenues for the current quarter were $9.6 billion compared with $8.5 billion a year ago.[1,4] Excluding DVA and the net discrete tax benefit in the prior year quarter, net income applicable to Morgan Stanley was $1.7 billion, or $0.79 per diluted share, compared with net income of $1.2 billion, or $0.58 per diluted share in the prior year.[3,4]

Compensation expense of $4.4 billion increased from $4.2 billion a year ago primarily driven by higher revenues. Non-compensation expenses of $2.6 billion increased from $2.5 billion a year ago on higher volume driven expenses and professional services costs, principally consulting fees.

The annualized return on average common equity was 9.9 percent in the current quarter, or 9.1 percent excluding DVA.[9]

Summary of Firm Results (dollars in millions)				
	As Reported		**Excluding DVA** [4]	
	Net Revenues	Net Income App. to MS [(a)]	Net Revenues	Net Income App. to MS [(a)]
2Q 2015	$9,743	$1,807	$9,561	$1,688
1Q 2015	$9,907	$2,394	$9,782	$2,314
2Q 2014	$8,608	$1,899	$8,521	$1,838

(a) Net income applicable to Morgan Stanley included net discrete tax benefits of $564 million and $609 million in 1Q 2015 and 2Q 2014, respectively.

Business Overview

- Institutional Securities net revenues excluding DVA were $5.0 billion.[10] Revenues for the quarter reflect robust performance in Equity sales and trading, strong results in Investment Banking and continued progress in Fixed Income and Commodities sales and trading.

- Wealth Management net revenues were $3.9 billion. The pre-tax margin was 23%.[6] Fee based asset flows for the quarter were $13.9 billion, with total client assets of $2.0 trillion at quarter end.

- Investment Management reported net revenues of $751 million with assets under management or supervision of $403 billion.

James P. Gorman, Chairman and Chief Executive Officer, said, "We delivered a strong quarter across each of our businesses, through client-focused execution, expense discipline and prudent risk management. We remain focused on delivering the long-term value of this franchise."

Summary of Institutional Securities Results (dollars in millions)				
	As Reported		**Excluding DVA** [10]	
	Net Revenues	Pre-Tax Income	Net Revenues	Pre-Tax Income
2Q 2015	$5,172	$1,622	$4,990	$1,440
1Q 2015	$5,458	$1,813	$5,333	$1,688
2Q 2014	$4,248	$960	$4,161	$873

INSTITUTIONAL SECURITIES

Institutional Securities reported pre-tax income from continuing operations of $1.6 billion compared with pre-tax income of $960 million in the second quarter of last year. Net revenues for the current quarter were $5.2 billion compared with $4.2 billion a year ago. Excluding DVA, net revenues for the current quarter of $5.0 billion, compared with $4.2 billion a year ago.[1,10] The following discussion for sales and trading excludes DVA.

- Advisory revenues of $423 million, equity underwriting revenues of $489 million and fixed income underwriting revenues of $528 million were essentially unchanged from the prior year quarter, reflecting a continued favorable market environment.

- Equity sales and trading net revenues of $2.3 billion increased from $1.8 billion a year ago reflecting strong performance across products and regions on higher levels of client activity.[11]

- Fixed Income & Commodities sales and trading net revenues of $1.3 billion increased from $1.0 billion a year ago. Results reflect higher revenues primarily in rates and foreign exchange, partly offset by lower results in credit products and commodities.[11]

- Other revenues of $212 million increased from $108 million a year ago reflecting fees and gains associated with corporate loans and higher results in our Japanese joint venture Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

- Compensation expense of $1.9 billion increased from $1.7 billion a year ago on higher revenues. Non-compensation expenses of $1.7 billion for the current quarter increased from $1.6 billion a year ago primarily driven by increased business activity and higher professional services costs, including legal and consulting fees.

- Morgan Stanley's average trading Value-at-Risk (VaR) measured at the 95% confidence level was $54 million compared with $47 million from the first quarter of 2015 and $48 million in the second quarter of the prior year.[12]

On May 11, 2015, Morgan Stanley announced a definitive agreement to sell the Global Oil Merchanting unit of its Commodities division to Castleton Commodities International LLC.

Summary of Wealth Management Results (dollars in millions)		
	Net Revenues	Pre-Tax Income
2Q 2015	$3,875	$885
1Q 2015	$3,834	$855
2Q 2014	$3,702	$763

WEALTH MANAGEMENT

Wealth Management reported pre-tax income from continuing operations of $885 million compared with $763 million in the second quarter of last year. The quarter's pre-tax margin was 23%.[6] Net revenues for the current quarter were $3.9 billion compared with $3.7 billion a year ago.

- Asset management fee revenues of $2.2 billion increased from $2.1 billion a year ago reflecting an increase in fee based assets and positive flows.

- Transactional revenues[13] of $872 million decreased from $991 million a year ago primarily reflecting lower revenues related to investments associated with certain employee deferred compensation plans and lower levels of new issue activity.

- Net interest income of $737 million increased from $577 million a year ago on higher deposit and loan balances.

- Compensation expense for the current quarter of $2.2 billion was essentially unchanged from a year ago. Non-compensation expenses of $790 million increased from $754 million a year ago, primarily driven by higher consulting and legal fees.

- Total client assets were $2.0 trillion at quarter end. Client assets in fee based accounts of $813 billion increased 7% compared with the prior year quarter. Fee based asset flows for the quarter were $13.9 billion.

- Wealth Management representatives were 15,771 at the end of the current quarter. Average annualized revenue per representative of $978,000 increased 8% compared with the prior year quarter.

As of June 30, 2015 the transfer of deposits from Citigroup Inc. (Citi) to the Firm was completed. During the quarter, approximately $4 billion of deposits held by Citi relating to the Firm's customer accounts were transferred to the Firm's depository institutions. Wealth Management bank deposits were $132 billion at the end of the current quarter.

Summary of Investment Management Results (dollars in millions)		
	Net Revenues	Pre-Tax Income
2Q 2015	$751	$220
1Q 2015	$669	$187
2Q 2014	$705	$209

INVESTMENT MANAGEMENT

Investment Management reported pre-tax income from continuing operations of $220 million compared with pre-tax income of $209 million in the second quarter of last year.

- Net revenues of $751 million increased from $705 million in the prior year primarily reflecting higher gains on investments in the Merchant Banking and Real Estate Investing business.

- Compensation expense for the current quarter of $308 million increased from $293 million a year ago, principally due to an increase in deferred compensation associated with carried interest. Non-compensation expenses of $223 million increased from $203 million a year ago.

- Assets under management or supervision at June 30, 2015 of $403 billion increased from $399 billion a year ago. The business recorded net outflows of $4.0 billion in the current quarter.

CAPITAL

As of June 30, 2015, the Firm's Common Equity Tier 1 and Tier 1 risk-based capital ratios under U.S. Basel III Advanced Approach transitional provisions were approximately 14.0% and 15.7%, respectively.[14]

As of June 30, 2015, the Firm estimates its pro forma fully phased-in Common Equity Tier 1 risk-based capital ratio (Advanced Approach) and pro forma fully phased-in Supplementary Leverage Ratio to be approximately 12.5% and 5.3%, respectively.[14,15,16]

At June 30, 2015, book value and tangible book value per common share were $34.52 and $29.54,[17] respectively, based on approximately 2.0 billion shares outstanding.

OTHER MATTERS

The effective tax rate from continuing operations for the current quarter was 32.8%.

During the quarter ended June 30, 2015, the Firm repurchased approximately $625 million of its common stock or approximately 16 million shares.

The Board of Directors declared a $0.15 quarterly dividend per share payable on August 14, 2015 to common shareholders of record on July 31, 2015.

Morgan Stanley is a leading global financial services firm providing a wide range of investment banking, securities, wealth management and investment management services. With offices in more than 43 countries, the Firm's employees serve clients worldwide including corporations, governments, institutions and individuals. For further information about Morgan Stanley, please visit www.morganstanley.com.

A financial summary follows. Financial, statistical and business-related information, as well as information regarding business and segment trends, is included in the Financial Supplement. Both the earnings release and the Financial Supplement are available online in the Investor Relations section at www.morganstanley.com.

# # #

(See Attached Schedules)

This earnings release contains forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they are made and which reflect management's current estimates, projections, expectations or beliefs and which are subject to risks and uncertainties that may cause actual results to differ materially. For a discussion of additional risks and uncertainties that may affect the future results of the Company, please see "Forward-Looking Statements" immediately preceding Part I, Item 1, "Competition" and "Supervision and Regulation" in Part I, Item 1, "Risk Factors" in Part I, Item 1A, "Legal Proceedings" in Part I, Item 3, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 and "Quantitative and Qualitative Disclosures about Market Risk" in Part II, Item 7A in the Company's Annual Report on Form 10-K for the year ended December 31, 2014 and other items throughout the Form 10-K, the Company's Quarterly Reports on Form 10-Q and the Company's Current Reports on Form 8-K, including any amendments thereto.

[1] Represents the change in the fair value of certain of the Firm's long-term and short-term borrowings resulting from the fluctuation in the Firm's credit spreads and other credit factors (Debt Valuation Adjustment, DVA).

[2] From time to time, Morgan Stanley may disclose certain "non-GAAP financial measures" in the course of its earnings releases, earnings conference calls, financial presentations and otherwise. For these purposes, "GAAP" refers to generally accepted accounting principles in the United States. The Securities and Exchange Commission (SEC) defines a "non-GAAP financial measure" as a numerical measure of historical or future financial performance, financial positions, or cash flows that is subject to adjustments that effectively exclude, or include amounts from the most directly comparable measure calculated and presented in accordance with GAAP. Non-GAAP financial measures disclosed by Morgan Stanley are provided as additional information to investors in order to provide them with greater transparency about, or an alternative method for assessing, our financial condition and operating results. These measures are not in accordance with, or a substitute for GAAP, and may be different from or inconsistent with non-GAAP financial measures used by other companies. Whenever we refer to a non-GAAP financial measure, we will also generally define it or present the most directly comparable financial measure calculated and presented in accordance with GAAP, along with a reconciliation of the differences between the non-GAAP financial measure we reference and such comparable GAAP financial measure.

[3] Earnings (loss) per diluted share amounts, excluding DVA, are non-GAAP financial measures that the Firm considers useful for investors to allow better comparability of period-to-period operating performance. Such exclusions are provided to differentiate revenues associated with Morgan Stanley borrowings, regardless of whether the impact is either positive, or negative, that result solely from fluctuations in credit spreads and other credit factors. The reconciliation of earnings (loss) per diluted share applicable to Morgan Stanley common shareholders from a non-GAAP to GAAP basis is as follows (number of shares are presented in millions):

	2Q 2015	2Q 2014
Earnings (loss) per diluted share - Non-GAAP	$0.79	$0.58
DVA Impact	$0.06	$0.03
Net discrete tax benefit	$0.00	$0.31
Earnings (loss) per diluted share - GAAP	$0.85	$0.92
Average diluted shares	1,960	1,969

[4] Net revenues excluding DVA and net income (loss) applicable to Morgan Stanley, excluding DVA and net discrete benefit, are non-GAAP financial measures that the Firm considers useful for investors to allow for better comparability of period-to-period operating performance. The reconciliation of net revenues and net income (loss) applicable to Morgan Stanley from a non-GAAP to GAAP basis is as follows (amounts are presented in millions):

	2Q 2015	1Q 2015	2Q 2014
Firm net revenues - Non-GAAP	$9,561	$9,782	$8,521
DVA impact	$182	$125	$87
Firm net revenues - GAAP	$9,743	$9,907	$8,608
Net income (loss) applicable to MS ex. DVA/net discrete tax benefit - Non-GAAP	$1,688	$1,750	$1,229
Net discrete tax benefit	$0	$564	$609
Net income (loss) applicable to MS ex. DVA - Non-GAAP	$1,688	$2,314	$1,838
DVA impact	$119	$80	$61
Net income (loss) applicable to MS - GAAP	$1,807	$2,394	$1,899

[5] Source: Thomson Reuters – for the period of January 1, 2015 to June 30, 2015 as of July 1, 2015.

[6] Pre-tax margin is a non-GAAP financial measure that the Firm considers useful for investors to assess operating performance. Pre-tax margin represents income (loss) from continuing operations before taxes divided by net revenues.

[7] Includes preferred dividends and other adjustments related to the calculation of earnings per share for the second quarter of 2015 and 2014 of approximately $142 million and $79 million, respectively. Refer to page 13 of Morgan Stanley's Financial Supplement accompanying this release for the calculation of earnings per share.

[8] The impact to earnings per diluted share is calculated by dividing the net discrete tax benefit by the average number of diluted shares outstanding.

[9] Annualized return on average common equity (ROE) and ROE excluding DVA are non-GAAP financial measures that the Firm considers useful for investors to allow better comparability of period-to-period operating performance. The calculation of ROE uses net income applicable to Morgan Stanley less preferred dividends as a percentage of average common equity. To determine the ROE excluding DVA, both the numerator and denominator were adjusted to exclude this item. The reconciliation of ROE to ROE excluding DVA is as follows:

	2Q 2015
ROE excluding DVA	9.1%
DVA impact	0.8%
ROE	9.9%

[10] Institutional Securities net revenues and pre-tax income (loss), excluding DVA, are non-GAAP financial measures that the Firm considers useful for investors to allow for better comparability of period-to-period operating performance. The reconciliation of net revenues and pre-tax income (loss) from a non-GAAP to GAAP basis is as follows (amounts are presented in millions):

	2Q 2015	1Q 2015	2Q 2014
Net revenues - Non-GAAP	$4,990	$5,333	$4,161
DVA impact	$182	$125	$87
Net revenues - GAAP	$5,172	$5,458	$4,248
Pre-tax income (loss) - Non-GAAP	$1,440	$1,688	$873
DVA impact	$182	$125	$87
Pre-tax income (loss) - GAAP	$1,622	$1,813	$960

[11] Sales and trading net revenues, including Fixed Income & Commodities (FIC) and Equity sales and trading net revenues excluding DVA, are non-GAAP financial measures that the Firm considers useful for investors to allow better comparability of period-to-period operating performance. The reconciliation of sales and trading, including FIC and Equity sales and trading net revenues from a non-GAAP to GAAP basis is as follows (amounts are presented in millions):

	2Q 2015	2Q 2014
Sales & Trading - Non-GAAP	$3,322	$2,559
DVA Impact	$182	$87
Sales & Trading - GAAP	$3,504	$2,646
FIC Sales & Trading - Non-GAAP	$1,267	$1,011
DVA Impact	$110	$50
FIC Sales & Trading - GAAP	$1,377	$1,061
Equity Sales & Trading - Non-GAAP	$2,270	$1,789
DVA Impact	$72	$37
Equity Sales & Trading - GAAP	$2,342	$1,826

[12] VaR represents the loss amount that one would not expect to exceed, on average, more than five times every one hundred trading days in the Firm's trading positions if the portfolio were held constant for a one-day period. Further discussion of the calculation of VaR and the limitations of the Firm's VaR methodology is disclosed in Part II, Item 7A "Quantitative and Qualitative Disclosures about Market Risk" included in Morgan Stanley's Annual Report on Form 10-K for the year ended December 31, 2014. Refer to page 6 of Morgan Stanley's Financial Supplement accompanying this release for the VaR disclosure.

[13] Transactional revenues include investment banking, trading, and commissions and fee revenues.

[14] As a U.S. Basel III Advanced Approach banking organization, the Firm is required to compute risk-based capital ratios using both (i) standardized approaches for calculating credit risk weighted assets ("RWAs") and market risk RWAs (the "Standardized Approach"); and (ii) an advanced internal ratings-based approach for calculating credit risk RWAs, an advanced measurement approach for calculating operational risk RWAs, and an advanced approach for market risk RWAs calculated under Basel III (the "Advanced Approach"). To implement a provision of the Dodd-Frank Act, U.S. Basel III subjects Advanced Approach banking organizations that have been approved by their regulators to exit the parallel run, such as the Firm, to a permanent "capital floor". Beginning on January 1, 2015, the capital floor is the lower of the capital ratios computed under the Advanced Approach or the Standardized Approach under U.S. Basel III, taking into consideration applicable transitional provisions. As of June 30, 2015, the lower ratio is represented by U.S. Basel III Advanced Approach. These computations are preliminary estimates as of July 20, 2015 (the date of this release) and could be subject to revision in Morgan Stanley's Quarterly Report on Form 10-Q for the quarter ended June 30, 2015. The methods for calculating the Firm's risk-based capital ratios will change through January 1, 2022 as aspects of the U.S. Basel III final rule are phased in. For information on the calculation of regulatory capital and ratios for prior periods, please refer to Part II, Item 7 "Liquidity and Capital Resources - Regulatory Requirements" in Morgan Stanley's Annual Report on Form 10-K for the year ended December 31, 2014 and Part I, Item 2 "Liquidity and Capital Resources - Regulatory Requirements" in Morgan Stanley's Quarterly Report on Form 10-Q for the quarter ended March 31, 2015.

[15] U.S. Basel III requires the Firm to disclose information related to its supplementary leverage ratio beginning on January 1, 2015, which through to the end of 2017 will include the effects of transitional provisions. The supplementary leverage ratio will become effective as a capital standard on January 1, 2018. Specifically, beginning on January 1, 2018, the Firm must maintain a Tier 1 supplementary leverage capital buffer of greater than 2% in addition to the 3% minimum supplementary leverage ratio (for a total of greater than 5%), in order to avoid limitations on capital distributions, including dividends and stock repurchases, and discretionary bonus payments to executive officers. The Firm's pro forma Supplementary Leverage Ratio estimate utilizes a fully phased-in U.S. Basel III Tier 1 capital numerator and a denominator of approximately $1.16 trillion. The Firm's estimates are subject to risks and uncertainties that may cause actual results to differ materially from estimates based on these regulations. Further, these expectations should not be taken as projections of what the Firm's supplementary leverage ratios or earnings, assets or exposures will actually be at future dates. See "Risk Factors" in Part I, Item 1A of the 2014 Form 10-K for a discussion of risks and uncertainties that may affect the future results of the Firm.

[16] The pro forma fully phased-in Common Equity Tier 1 risk-based capital ratio and pro forma fully phased-in supplementary leverage ratio are non-GAAP financial measures that the Firm considers to be useful measures for evaluating compliance with new regulatory capital requirements that have not yet become effective.

[17] Tangible common equity and tangible book value per common share are non-GAAP financial measures that the Firm considers to be useful measures of capital adequacy. Tangible common equity equals common equity less goodwill and intangible assets net of allowable mortgage servicing rights deduction. Tangible book value per common share equals tangible common equity divided by period end common shares outstanding.

MORGAN STANLEY
Quarterly Consolidated Financial Summary
(unaudited, dollars in millions, except for per share data)

	Quarter Ended			Percentage Change From:		Six Months Ended		Percentage
	June 30, 2015	Mar 31, 2015	June 30, 2014	Mar 31, 2015	June 30, 2014	June 30, 2015	June 30, 2014	Change
Net revenues								
Institutional Securities	$ 5,172	$ 5,458	$ 4,248	(5%)	22%	$ 10,630	$ 8,925	19%
Wealth Management	3,875	3,834	3,702	1%	5%	7,709	7,311	5%
Investment Management	751	669	705	12%	7%	1,420	1,457	(3%)
Intersegment Eliminations	(55)	(54)	(47)	(2%)	(17%)	(109)	(89)	(22%)
Net revenues	$ 9,743	$ 9,907	$ 8,608	(2%)	13%	$ 19,650	$ 17,604	12%
Income (loss) from continuing operations before tax								
Institutional Securities	$ 1,622	$ 1,813	$ 960	(11%)	69%	$ 3,435	$ 2,376	45%
Wealth Management	885	855	763	4%	16%	1,740	1,449	20%
Investment Management	220	187	209	18%	5%	407	477	(15%)
Intersegment Eliminations	0	0	0	--	--	0	0	--
Income (loss) from continuing operations before tax	$ 2,727	$ 2,855	$ 1,932	(4%)	41%	$ 5,582	$ 4,302	30%
Net Income (loss) applicable to Morgan Stanley								
Institutional Securities	$ 1,087	$ 1,750	$ 1,290	(38%)	(16%)	$ 2,837	$ 2,253	26%
Wealth Management	561	535	467	5%	20%	1,096	888	23%
Investment Management	159	109	142	46%	12%	268	263	2%
Intersegment Eliminations	0	0	0	--	--	0	0	--
Net Income (loss) applicable to Morgan Stanley	$ 1,807	$ 2,394	$ 1,899	(25%)	(5%)	$ 4,201	$ 3,404	23%
Earnings (loss) applicable to Morgan Stanley common shareholders	$ 1,665	$ 2,314	$ 1,820	(28%)	(9%)	$ 3,979	$ 3,269	22%
Financial Metrics:								
Earnings per diluted share from continuing operations	$ 0.85	$ 1.18	$ 0.92	(28%)	(8%)	$ 2.03	$ 1.66	22%
Earnings per diluted share	$ 0.85	$ 1.18	$ 0.92	(28%)	(8%)	$ 2.03	$ 1.66	22%
Earnings per diluted share from continuing operations excluding DVA	$ 0.79	$ 1.14	$ 0.89	(31%)	(11%)	$ 1.93	$ 1.59	21%
Earnings per diluted share excluding DVA	$ 0.79	$ 1.14	$ 0.89	(31%)	(11%)	$ 1.93	$ 1.59	21%
Return on average common equity from continuing operations	9.9%	14.2%	11.3%			12.0%	10.2%	
Return on average common equity	9.9%	14.1%	11.3%			12.0%	10.2%	
Return on average common equity from continuing operations excluding DVA	9.1%	13.5%	10.7%			11.3%	9.6%	
Return on average common equity excluding DVA	9.1%	13.5%	10.7%			11.3%	9.6%	

Notes: - Refer to End Notes and Definition of Performance Metrics and GAAP to non-GAAP Measures on pages 14-15 from the Financial Supplement for additional information related to the calculation of the financial metrics.

MORGAN STANLEY
Quarterly Consolidated Income Statement Information
(unaudited, dollars in millions)

	Quarter Ended			Percentage Change From:		Six Months Ended		Percentage
	June 30, 2015	Mar 31, 2015	June 30, 2014	Mar 31, 2015	June 30, 2014	June 30, 2015	June 30, 2014	Change
Revenues:								
Investment banking	$ 1,614	$ 1,357	$ 1,633	19%	(1%)	$ 2,971	$ 2,941	1%
Trading	2,973	3,650	2,516	(19%)	18%	6,623	5,478	21%
Investments	261	266	227	(2%)	15%	527	586	(10%)
Commissions and fees	1,158	1,186	1,138	(2%)	2%	2,344	2,354	--
Asset management, distribution and admin. fees	2,742	2,681	2,621	2%	5%	5,423	5,170	5%
Other	297	171	206	74%	44%	468	500	(6%)
Total non-interest revenues	9,045	9,311	8,341	(3%)	8%	18,356	17,029	8%
Interest income	1,386	1,484	1,250	(7%)	11%	2,870	2,593	11%
Interest expense	688	888	983	(23%)	(30%)	1,576	2,018	(22%)
Net interest	698	596	267	17%	161%	1,294	575	125%
Net revenues	9,743	9,907	8,608	(2%)	13%	19,650	17,604	12%
Non-interest expenses:								
Compensation and benefits	4,405	4,524	4,200	(3%)	5%	8,929	8,506	5%
Non-compensation expenses:								
Occupancy and equipment	351	342	358	3%	(2%)	693	719	(4%)
Brokerage, clearing and exchange fees	487	463	458	5%	6%	950	901	5%
Information processing and communications	438	415	411	6%	7%	853	835	2%
Marketing and business development	179	150	165	19%	8%	329	312	5%
Professional services	598	486	531	23%	13%	1,084	984	10%
Other	558	672	553	(17%)	1%	1,230	1,045	18%
Total non-compensation expenses	2,611	2,528	2,476	3%	5%	5,139	4,796	7%
Total non-interest expenses	7,016	7,052	6,676	(1%)	5%	14,068	13,302	6%
Income (loss) from continuing operations before taxes	2,727	2,855	1,932	(4%)	41%	5,582	4,302	30%
Income tax provision / (benefit) from continuing operations	894	387	15	131%	*	1,281	800	60%
Income (loss) from continuing operations	1,833	2,468	1,917	(26%)	(4%)	4,301	3,502	23%
Gain (loss) from discontinued operations after tax	(2)	(5)	0	60%	*	(7)	(1)	*
Net income (loss)	$ 1,831	$ 2,463	$ 1,917	(26%)	(4%)	$ 4,294	$ 3,501	23%
Net income applicable to nonredeemable noncontrolling interests	24	69	18	(65%)	33%	93	97	(4%)
Net income (loss) applicable to Morgan Stanley	1,807	2,394	1,899	(25%)	(5%)	4,201	3,404	23%
Preferred stock dividend / Other	142	80	79	78%	80%	222	135	64%
Earnings (loss) applicable to Morgan Stanley common shareholders	$ 1,665	$ 2,314	$ 1,820	(28%)	(9%)	$ 3,979	$ 3,269	22%
Pre-tax profit margin	28%	29%	22%			28%	24%	
Compensation and benefits as a % of net revenues	45%	46%	49%			45%	48%	
Non-compensation expenses as a % of net revenues	27%	26%	29%			26%	27%	
Effective tax rate from continuing operations	32.8%	13.6%	0.8%			22.9%	18.6%	

Notes: - Refer to End Notes and Definition of Performance Metrics and GAAP to non-GAAP Measures on pages 14-15 from the Financial Supplement for additional information.

MORGAN STANLEY
Quarterly Earnings Per Share
(unaudited, dollars in millions, except for per share data)

	Quarter Ended			Percentage Change From:		Six Months Ended		Percentage
	June 30, 2015	Mar 31, 2015	June 30, 2014	Mar 31, 2015	June 30, 2014	June 30, 2015	June 30, 2014	Change
Income (loss) from continuing operations	$ 1,833	$ 2,468	$ 1,917	(26%)	(4%)	$ 4,301	$ 3,502	23%
Net income applicable to nonredeemable noncontrolling interests	24	69	18	(65%)	33%	93	97	(4%)
Income (loss) from continuing operations applicable to Morgan Stanley	1,809	2,399	1,899	(25%)	(5%)	4,208	3,405	24%
Less: Preferred Dividends	141	78	76	81%	86%	219	130	68%
Income (loss) from continuing operations applicable to Morgan Stanley, prior to allocation of income to Participating Restricted Stock Units	1,668	2,321	1,823	(28%)	(9%)	3,989	3,275	22%
Basic EPS Adjustments:								
Less: Allocation of earnings to Participating Restricted Stock Units	1	2	3	(50%)	(67%)	3	5	(40%)
Earnings (loss) from continuing operations applicable to Morgan Stanley common shareholders	**$ 1,667**	**$ 2,319**	**$ 1,820**	(28%)	(8%)	**$ 3,986**	**$ 3,270**	22%
Gain (loss) from discontinued operations after tax	(2)	(5)	0	60%	*	(7)	(1)	*
Less: Gain (loss) from discontinued operations after tax applicable to noncontrolling interests	0	0	0	--	--	0	0	--
Gain (loss) from discontinued operations after tax applicable to Morgan Stanley	(2)	(5)	0	60%	*	(7)	(1)	*
Less: Allocation of earnings to Participating Restricted Stock Units	0	0	0	--	--	0	0	--
Earnings (loss) from discontinued operations applicable to Morgan Stanley common shareholders	**(2)**	**(5)**	**0**	60%	*	**(7)**	**(1)**	*
Earnings (loss) applicable to Morgan Stanley common shareholders	**$ 1,665**	**$ 2,314**	**$ 1,820**	(28%)	(9%)	**$ 3,979**	**$ 3,269**	22%
Average basic common shares outstanding (millions)	1,919	1,924	1,928	--	--	1,922	1,926	--
Earnings per basic share:								
Income from continuing operations	**$ 0.87**	**$ 1.21**	**$ 0.94**	(28%)	(7%)	**$ 2.07**	**$ 1.70**	22%
Discontinued operations	**$ -**	**$ (0.01)**	**$ -**	*	--	**$ -**	**$ -**	--
Earnings per basic share	**$ 0.87**	**$ 1.20**	**$ 0.94**	(28%)	(7%)	**$ 2.07**	**$ 1.70**	22%
Earnings (loss) from continuing operations applicable to Morgan Stanley common shareholders	**$ 1,667**	**$ 2,319**	**$ 1,820**	(28%)	(8%)	**$ 3,986**	**$ 3,270**	22%
Earnings (loss) from discontinued operations applicable to Morgan Stanley common shareholders	(2)	(5)	0	60%	*	(7)	(1)	*
Earnings (loss) applicable to Morgan Stanley common shareholders	**$ 1,665**	**$ 2,314**	**$ 1,820**	(28%)	(9%)	**$ 3,979**	**$ 3,269**	22%
Average diluted common shares outstanding and common stock equivalents (millions)	1,960	1,963	1,969	--	--	1,962	1,969	--
Earnings per diluted share:								
Income from continuing operations	**$ 0.85**	**$ 1.18**	**$ 0.92**	(28%)	(8%)	**$ 2.03**	**$ 1.66**	22%
Discontinued operations	**$ -**	**$ -**	**$ -**	--	--	**$ -**	**$ -**	--
Earnings per diluted share	**$ 0.85**	**$ 1.18**	**$ 0.92**	(28%)	(8%)	**$ 2.03**	**$ 1.66**	22%

Notes: - Refer to End Notes and Definition of Performance Metrics and GAAP to non-GAAP Measures on pages 14-15 from the Financial Supplement for additional information.

EX-99.2 3 a51144702ex99_2.htm EXHIBIT 99.2

Exhibit 99.2

Morgan Stanley

MORGAN STANLEY
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MORGAN STANLEY
Quarterly Consolidated Financial Summary
(unaudited, dollars in millions, except for per share data)

	Quarter Ended			Percentage Change From:		Six Months Ended		Percentage
	June 30, 2015	Mar 31, 2015	June 30, 2014	Mar 31, 2015	June 30, 2014	June 30, 2015	June 30, 2014	Change
Net revenues								
Institutional Securities	$ 5,172	$ 5,458	$ 4,248	(5%)	22%	$ 10,630	$ 8,925	19%
Wealth Management	3,875	3,834	3,702	1%	5%	7,709	7,311	5%
Investment Management	751	669	705	12%	7%	1,420	1,457	(3%)
Intersegment Eliminations	(55)	(54)	(47)	(2%)	(17%)	(109)	(89)	(22%)
Net revenues	$ 9,743	$ 9,907	$ 8,608	(2%)	13%	$ 19,650	$ 17,604	12%
Income (loss) from continuing operations before tax								
Institutional Securities	$ 1,622	$ 1,813	$ 960	(11%)	69%	$ 3,435	$ 2,376	45%
Wealth Management	885	855	763	4%	16%	1,740	1,449	20%
Investment Management	220	187	209	18%	5%	407	477	(15%)
Intersegment Eliminations	0	0	0	--	--	0	0	--
Income (loss) from continuing operations before tax	$ 2,727	$ 2,855	$ 1,932	(4%)	41%	$ 5,582	$ 4,302	30%
Net Income (loss) applicable to Morgan Stanley								
Institutional Securities	$ 1,087	$ 1,750	$ 1,290	(38%)	(16%)	$ 2,837	$ 2,253	26%
Wealth Management	561	535	467	5%	20%	1,096	888	23%
Investment Management	159	109	142	46%	12%	268	263	2%
Intersegment Eliminations	0	0	0	--	--	0	0	--
Net Income (loss) applicable to Morgan Stanley	$ 1,807	$ 2,394	$ 1,899	(25%)	(5%)	$ 4,201	$ 3,404	23%
Financial Metrics:								
Earnings per diluted share from continuing operations	$ 0.85	$ 1.18	$ 0.92	(28%)	(8%)	$ 2.03	$ 1.66	22%
Earnings per diluted share	$ 0.85	$ 1.18	$ 0.92	(28%)	(8%)	$ 2.03	$ 1.66	22%
Earnings per diluted share from continuing operations excluding DVA	$ 0.79	$ 1.14	$ 0.89	(31%)	(11%)	$ 1.93	$ 1.59	21%
Earnings per diluted share excluding DVA	$ 0.79	$ 1.14	$ 0.89	(31%)	(11%)	$ 1.93	$ 1.59	21%
Return on average common equity from continuing operations	9.9%	14.2%	11.3%			12.0%	10.2%	
Return on average common equity	9.9%	14.1%	11.3%			12.0%	10.2%	
Return on average common equity from continuing operations excluding DVA	9.1%	13.5%	10.7%			11.3%	9.6%	
Return on average common equity excluding DVA	9.1%	13.5%	10.7%			11.3%	9.6%	

Notes: - Refer to End Notes, Definition of Performance Metrics and GAAP to Non-GAAP Measures and Legal Notice on pages 14 - 16.

Morgan Stanley

MORGAN STANLEY
Quarterly Consolidated Income Statement Information
(unaudited, dollars in millions)

	Quarter Ended			Percentage Change From:		Six Months Ended		Percentage
	June 30, 2015	Mar 31, 2015	June 30, 2014	Mar 31, 2015	June 30, 2014	June 30, 2015	June 30, 2014	Change
Revenues:								
Investment banking	$ 1,614	$ 1,357	$ 1,633	19%	(1%)	$ 2,971	$ 2,941	1%
Trading	2,973	3,650	2,516	(19%)	18%	6,623	5,478	21%
Investments	261	266	227	(2%)	15%	527	586	(10%)
Commissions and fees	1,158	1,186	1,138	(2%)	2%	2,344	2,354	--
Asset management, distribution and admin. fees	2,742	2,681	2,621	2%	5%	5,423	5,170	5%
Other	297	171	206	74%	44%	468	500	(6%)
Total non-interest revenues	9,045	9,311	8,341	(3%)	8%	18,356	17,029	8%
Interest income	1,386	1,484	1,250	(7%)	11%	2,870	2,593	11%
Interest expense	688	888	983	(23%)	(30%)	1,576	2,018	(22%)
Net interest	698	596	267	17%	161%	1,294	575	125%
Net revenues	9,743	9,907	8,608	(2%)	13%	19,650	17,604	12%
Non-interest expenses:								
Compensation and benefits	4,405	4,524	4,200	(3%)	5%	8,929	8,506	5%
Non-compensation expenses:								
Occupancy and equipment	351	342	358	3%	(2%)	693	719	(4%)
Brokerage, clearing and exchange fees	487	463	458	5%	6%	950	901	5%
Information processing and communications	438	415	411	6%	7%	853	835	2%
Marketing and business development	179	150	165	19%	8%	329	312	5%
Professional services	598	486	531	23%	13%	1,084	984	10%
Other	558	672	553	(17%)	1%	1,230	1,045	18%
Total non-compensation expenses	2,611	2,528	2,476	3%	5%	5,139	4,796	7%
Total non-interest expenses	7,016	7,052	6,676	(1%)	5%	14,068	13,302	6%
Income (loss) from continuing operations before taxes	2,727	2,855	1,932	(4%)	41%	5,582	4,302	30%
Income tax provision / (benefit) from continuing operations (1)	894	387	15	131%	*	1,281	800	60%
Income (loss) from continuing operations	1,833	2,468	1,917	(26%)	(4%)	4,301	3,502	23%
Gain (loss) from discontinued operations after tax	(2)	(5)	0	60%	*	(7)	(1)	*
Net income (loss)	$ 1,831	$ 2,463	$ 1,917	(26%)	(4%)	$ 4,294	$ 3,501	23%
Net income applicable to nonredeemable noncontrolling interests	24	69	18	(65%)	33%	93	97	(4%)
Net income (loss) applicable to Morgan Stanley	1,807	2,394	1,899	(25%)	(5%)	4,201	3,404	23%
Preferred stock dividend / Other	142	80	79	78%	80%	222	135	64%
Earnings (loss) applicable to Morgan Stanley common shareholders	$ 1,665	$ 2,314	$ 1,820	(28%)	(9%)	$ 3,979	$ 3,269	22%
Pre-tax profit margin	28%	29%	22%			28%	24%	
Compensation and benefits as a % of net revenues	45%	46%	49%			45%	48%	
Non-compensation expenses as a % of net revenues	27%	26%	29%			26%	27%	
Effective tax rate from continuing operations (1)	32.8%	13.6%	0.8%			22.9%	18.6%	

Notes: - Refer to End Notes, Definition of Performance Metrics and GAAP to Non-GAAP Measures and Legal Notice on pages 14 - 16.

Morgan Stanley

MORGAN STANLEY
Quarterly Consolidated Financial Information and Statistical Data
(unaudited, dollars in millions)

	Quarter Ended			Percentage Change From:		Six Months Ended		Percentage
	June 30, 2015	Mar 31, 2015	June 30, 2014	Mar 31, 2015	June 30, 2014	June 30, 2015	June 30, 2014	Change
Regional revenues								
Americas	$ 6,777	$ 6,930	$ 6,132	(2%)	11%	$ 13,707	$ 12,714	8%
EMEA (Europe, Middle East, Africa)	1,436	1,762	1,498	(19%)	(4%)	3,198	2,920	10%
Asia	1,530	1,215	978	26%	56%	2,745	1,970	39%
Consolidated net revenues	$ 9,743	$ 9,907	$ 8,608	(2%)	13%	$ 19,650	$ 17,604	12%
Worldwide employees	55,795	56,087	56,142	(1%)	(1%)			
Deposits	$ 139,203	$ 135,815	$ 117,695	2%	18%			
Assets	$ 825,253	$ 829,099	$ 826,568	--	--			
Risk-weighted assets	$ 419,500	$ 438,964	$ 418,054	(4%)	--			
Global liquidity reserve	$ 188,214	$ 194,687	$ 191,847	(3%)	(2%)			
Long-term debt outstanding	$ 158,089	$ 155,545	$ 149,483	2%	6%			
Maturities of long-term debt outstanding (next 12 months)	$ 27,208	$ 24,229	$ 16,594	12%	64%			
Common equity	$ 67,518	$ 66,642	$ 65,735	1%	3%			
Less: Goodwill and intangible assets	(9,740)	(9,657)	(9,731)	(1%)	--			
Tangible common equity	$ 57,778	$ 56,985	$ 56,004	1%	3%			
Preferred equity	$ 7,520	$ 7,520	$ 5,020	--	50%			
Junior subordinated debt issued to capital trusts	$ 2,863	$ 4,873	$ 4,876	(41%)	(41%)			
Period end common shares outstanding	1,956	1,971	1,965	(1%)	--			
Book value per common share	$ 34.52	$ 33.80	$ 33.46					
Tangible book value per common share	$ 29.54	$ 28.91	$ 28.51					
Common Equity Tier 1 capital Advanced (Transitional)	$ 58,661	$ 57,342	$ 58,144	2%	1%			
Tier 1 capital Advanced (Transitional)	$ 65,727	$ 64,746	$ 64,533	2%	2%			
Common Equity Tier 1 capital ratio Advanced (Transitional)	14.0%	13.1%	13.9%					
Common Equity Tier 1 capital ratio Advanced (Fully Phased-in)	12.5%	11.6%	12.3%					
Tier 1 capital ratio Advanced (Transitional)	15.7%	14.7%	15.4%					
Tier 1 leverage ratio Advanced (Transitional)	7.9%	7.8%	7.8%					
Supplementary Leverage Ratio (Transitional)	5.6%	5.5%	5.1%					
Supplementary Leverage Ratio (Fully Phased-in)	5.3%	5.1%	4.6%					

Notes: - Refer to End Notes, Definition of Performance Metrics and GAAP to Non-GAAP Measures and Legal Notice on pages 14 - 16.

Morgan Stanley

MORGAN STANLEY
Quarterly Consolidated Loans and Lending Commitments Financial Information
(unaudited, dollars in billions)

	Quarter Ended			Percentage Change From:	
	June 30, 2015	Mar 31, 2015	June 30, 2014	Mar 31, 2015	June 30, 2014
Institutional Securities					
Corporate lending funded loans [1]	$ 15.7	$ 14.8	$ 15.8	6%	(1%)
Corporate lending commitments [2]	$ 88.2	$ 89.1	$ 92.5	(1%)	(5%)
Corporate Lending Loans and Lending Commitments [3]	$ 103.9	$ 103.9	$ 108.3	--	(4%)
Other funded loans	$ 28.5	$ 25.3	$ 21.9	13%	30%
Other lending commitments	$ 6.8	$ 4.0	$ 4.3	70%	58%
Other Loans and Lending Commitments [4]	$ 35.3	$ 29.3	$ 26.2	20%	35%
Institutional Securities Loans and Lending Commitments [5]	$ 139.2	$ 133.2	$ 134.5	5%	3%
Wealth Management					
Funded loans	$ 43.8	$ 40.0	$ 31.3	10%	40%
Lending commitments	$ 5.9	$ 5.4	$ 4.4	9%	34%
Wealth Management Loans and Lending Commitments [6]	$ 49.7	$ 45.4	$ 35.7	9%	39%
Consolidated Loans and Lending Commitments	$ 188.9	$ 178.6	$ 170.2	6%	11%

Notes: - Refer to End Notes, Definition of Performance Metrics and GAAP to Non-GAAP Measures and Legal Notice on pages 14 - 16.

Morgan Stanley

MORGAN STANLEY
Quarterly Institutional Securities Income Statement Information
(unaudited, dollars in millions)

	Quarter Ended			Percentage Change From:		Six Months Ended		Percentage
	June 30, 2015	Mar 31, 2015	June 30, 2014	Mar 31, 2015	June 30, 2014	June 30, 2015	June 30, 2014	Change
Revenues:								
Investment banking	$ 1,440	$ 1,173	$ 1,432	23%	1%	$ 2,613	$ 2,568	2%
Trading	2,785	3,422	2,257	(19%)	23%	6,207	4,964	25%
Investments	16	112	62	(86%)	(74%)	128	171	(25%)
Commissions and fees	683	673	629	1%	9%	1,356	1,307	4%
Asset management, distribution and admin. fees	69	76	66	(9%)	5%	145	147	(1%)
Other	212	90	108	136%	96%	302	299	1%
Total non-interest revenues	5,205	5,546	4,554	(6%)	14%	10,751	9,456	14%
Interest income	723	870	758	(17%)	(5%)	1,593	1,639	(3%)
Interest expense	756	958	1,064	(21%)	(29%)	1,714	2,170	(21%)
Net interest	(33)	(88)	(306)	63%	89%	(121)	(531)	77%
Net revenues	5,172	5,458	4,248	(5%)	22%	10,630	8,925	19%
Compensation and benefits	1,897	2,026	1,722	(6%)	10%	3,923	3,575	10%
Non-compensation expenses	1,653	1,619	1,566	2%	6%	3,272	2,974	10%
Total non-interest expenses	3,550	3,645	3,288	(3%)	8%	7,195	6,549	10%
Income (loss) from continuing operations before taxes	1,622	1,813	960	(11%)	69%	3,435	2,376	45%
Income tax provision / (benefit) from continuing operations (1)	511	6	(344)	*	*	517	82	*
Income (loss) from continuing operations	1,111	1,807	1,304	(39%)	(15%)	2,918	2,294	27%
Gain (loss) from discontinued operations after tax	(2)	(5)	(3)	60%	33%	(7)	(5)	(40%)
Net income (loss)	1,109	1,802	1,301	(38%)	(15%)	2,911	2,289	27%
Net income applicable to nonredeemable noncontrolling interests	22	52	11	(58%)	100%	74	36	106%
Net income (loss) applicable to Morgan Stanley	$ 1,087	$ 1,750	$ 1,290	(38%)	(16%)	$ 2,837	$ 2,253	26%
Pre-tax profit margin	31%	33%	23%			32%	27%	
Compensation and benefits as a % of net revenues	37%	37%	41%			37%	40%	

Notes: - Refer to End Notes, Definition of Performance Metrics and GAAP to Non-GAAP Measures and Legal Notice on pages 14 - 16.

Morgan Stanley

MORGAN STANLEY
Quarterly Financial Information and Statistical Data
Institutional Securities
(unaudited, dollars in millions)

	Quarter Ended			Percentage Change From:		Six Months Ended		Percentage
	June 30, 2015	Mar 31, 2015	June 30, 2014	Mar 31, 2015	June 30, 2014	June 30, 2015	June 30, 2014	Change
Investment Banking								
Advisory revenues	$ 423	$ 471	$ 418	(10%)	1%	$ 894	$ 754	19%
Underwriting revenues								
Equity	489	307	489	59%	--	796	804	(1%)
Fixed income	528	395	525	34%	1%	923	1,010	(9%)
Total underwriting revenues	1,017	702	1,014	45%	--	1,719	1,814	(5%)
Total investment banking revenues	$ 1,440	$ 1,173	$ 1,432	23%	1%	$ 2,613	$ 2,568	2%
Sales & Trading								
Equity	$ 2,342	$ 2,293	$ 1,826	2%	28%	$ 4,635	$ 3,581	29%
Fixed Income & Commodities	1,377	2,003	1,061	(31%)	30%	3,380	2,791	21%
Other	(215)	(213)	(241)	(1%)	11%	(428)	(485)	12%
Total sales & trading net revenues	$ 3,504	$ 4,083	$ 2,646	(14%)	32%	$ 7,587	$ 5,887	29%
Investments & Other								
Investments	$ 16	$ 112	$ 62	(86%)	(74%)	$ 128	$ 171	(25%)
Other	212	90	108	136%	96%	302	299	1%
Total investments & other revenues	$ 228	$ 202	$ 170	13%	34%	$ 430	$ 470	(9%)
Institutional Securities net revenues	$ 5,172	$ 5,458	$ 4,248	(5%)	22%	$ 10,630	$ 8,925	19%
Average Daily 95% / One-Day Value-at-Risk ("VaR")								
Primary Market Risk Category ($ millions, pre-tax)								
Interest rate and credit spread	$ 35	$ 32	$ 31					
Equity price	$ 23	$ 18	$ 18					
Foreign exchange rate	$ 12	$ 11	$ 9					
Commodity price	$ 16	$ 17	$ 19					
Aggregation of Primary Risk Categories	$ 50	$ 44	$ 43					
Credit Portfolio VaR	$ 12	$ 16	$ 11					
Trading VaR	$ 54	$ 47	$ 48					

Notes: For the periods noted below, sales and trading net revenues included positive revenue related to DVA as follows:
June 30, 2015: Total QTD: $182 million; Fixed Income & Commodities: $110 million; Equity: $72 million
March 31, 2015: Total QTD: $125 million; Fixed Income & Commodities: $100 million; Equity: $25 million
June 30, 2014: Total QTD: $87 million; Fixed Income & Commodities: $50 million; Equity: $37 million
June 30, 2015: Total YTD: $307 million; Fixed Income & Commodities: $210 million; Equity: $97 million
June 30, 2014: Total YTD: $213 million; Fixed Income & Commodities: $126 million; Equity: $87 million
- Refer to End Notes, Definition of Performance Metrics and GAAP to Non-GAAP Measures and Legal Notice on pages 14 - 16.

Morgan Stanley

MORGAN STANLEY
Quarterly Wealth Management Income Statement Information
(unaudited, dollars in millions)

	Quarter Ended			Percentage Change From:		Six Months Ended		Percentage
	June 30, 2015	Mar 31, 2015	June 30, 2014	Mar 31, 2015	June 30, 2014	June 30, 2015	June 30, 2014	Change
Revenues:								
Investment banking	$ 186	$ 192	$ 213	(3%)	(13%)	$ 378	$ 394	(4%)
Trading	196	232	267	(16%)	(27%)	428	542	(21%)
Investments	13	2	2	*	*	15	6	150%
Commissions and fees	490	526	511	(7%)	(4%)	1,016	1,051	(3%)
Asset management, distribution and admin. fees	2,174	2,115	2,054	3%	6%	4,289	4,062	6%
Other	79	78	78	1%	1%	157	141	11%
Total non-interest revenues	3,138	3,145	3,125	--	--	6,283	6,196	1%
Interest income	782	737	616	6%	27%	1,519	1,197	27%
Interest expense	45	48	39	(6%)	15%	93	82	13%
Net interest	737	689	577	7%	28%	1,426	1,115	28%
Net revenues	3,875	3,834	3,702	1%	5%	7,709	7,311	5%
Compensation and benefits	2,200	2,225	2,185	(1%)	1%	4,425	4,352	2%
Non-compensation expenses	790	754	754	5%	5%	1,544	1,510	2%
Total non-interest expenses	2,990	2,979	2,939	--	2%	5,969	5,862	2%
Income (loss) from continuing operations before taxes	885	855	763	4%	16%	1,740	1,449	20%
Income tax provision / (benefit) from continuing operations	324	320	296	1%	9%	644	561	15%
Income (loss) from continuing operations	561	535	467	5%	20%	1,096	888	23%
Gain (loss) from discontinued operations after tax	0	0	0	--	--	0	0	--
Net income (loss)	561	535	467	5%	20%	1,096	888	23%
Net income applicable to nonredeemable noncontrolling interests	-	-	-	--	--	-	-	--
Net income (loss) applicable to Morgan Stanley	$ 561	$ 535	$ 467	5%	20%	$ 1,096	$ 888	23%
Pre-tax profit margin	23%	22%	21%			23%	20%	
Compensation and benefits as a % of net revenues	57%	58%	59%			57%	60%	

Notes: - Refer to End Notes, Definition of Performance Metrics and GAAP to Non-GAAP Measures and Legal Notice on pages 14 - 16.

Morgan Stanley

MORGAN STANLEY
Quarterly Financial Information and Statistical Data
Wealth Management
(unaudited)

	Quarter Ended			Percentage Change From:	
	June 30, 2015	**Mar 31, 2015**	**June 30, 2014**	**Mar 31, 2015**	**June 30, 2014**
Bank deposit program (billions) [1]	$ 132	$ 135	$ 127	(2 %)	4 %
Wealth Management Metrics					
Wealth Management representatives	15,771	15,915	16,316	(1%)	(3%)
Annualized revenue per representative (000's)	$ 978	$ 959	$ 905	2%	8%
Client assets (billions)	$ 2,034	$ 2,047	$ 2,002	(1%)	2%
Client assets per representative (millions)	$ 129	$ 129	$ 123	--	5%
Client liabilities (billions)	$ 58	$ 54	$ 45	7%	29%
Fee based asset flows (billions)	$ 13.9	$ 13.3	$ 12.5	5%	11%
Fee-based client account assets (billions)	$ 813	$ 803	$ 762	1%	7%
Fee-based assets as a % of client assets	40%	39%	38%		
Retail locations	618	621	636	--	(3%)

Notes: - Refer to End Notes, Definition of Performance Metrics to GAAP and Non-GAAP Measures and Legal Notice on pages 14 - 16.

Morgan Stanley

MORGAN STANLEY
Quarterly Investment Management Income Statement Information
(unaudited, dollars in millions)

	Quarter Ended			Percentage Change From:		Six Months Ended		Percentage
	June 30, 2015	Mar 31, 2015	June 30, 2014	Mar 31, 2015	June 30, 2014	June 30, 2015	June 30, 2014	Change
Revenues:								
Investment banking	$ -	$ -	$ 1	--	*	$ -	$ 5	*
Trading	(6)	3	(6)	*	--	(3)	(26)	88%
Investments [1]	232	152	163	53%	42%	384	409	(6%)
Commissions and fees	0	0	0	--	--	0	0	--
Asset management, distribution and admin. fees	522	514	528	2%	(1%)	1,036	1,014	2%
Other	9	5	26	80%	(65%)	14	66	(79%)
Total non-interest revenues	757	674	712	12%	6%	1,431	1,468	(3%)
Interest income	0	1	1	*	*	1	2	(50%)
Interest expense	6	6	8	--	(25%)	12	13	(8%)
Net interest	(6)	(5)	(7)	(20%)	14%	(11)	(11)	--
Net revenues	751	669	705	12%	7%	1,420	1,457	(3%)
Compensation and benefits	308	273	293	13%	5%	581	579	--
Non-compensation expenses	223	209	203	7%	10%	432	401	8%
Total non-interest expenses	531	482	496	10%	7%	1,013	980	3%
Income (loss) from continuing operations before taxes	220	187	209	18%	5%	407	477	(15%)
Income tax provision / (benefit) from continuing operations	59	61	63	(3%)	(6%)	120	157	(24%)
Income (loss) from continuing operations	161	126	146	28%	10%	287	320	(10%)
Gain (loss) from discontinued operations after tax	0	0	3	--	*	0	4	*
Net income (loss)	161	126	149	28%	8%	287	324	(11%)
Net income applicable to nonredeemable noncontrolling interests	2	17	7	(88%)	(71%)	19	61	(69%)
Net income (loss) applicable to Morgan Stanley	$ 159	$ 109	$ 142	46%	12%	$ 268	$ 263	2%
Pre-tax profit margin	29%	28%	30%			29%	33%	
Compensation and benefits as a % of net revenues	41%	41%	42%			41%	40%	

Notes: - Refer to End Notes, Definition of Performance Metrics and GAAP to Non-GAAP Measures and Legal Notice on pages 14 - 16.

Morgan Stanley

MORGAN STANLEY
Quarterly Financial Information and Statistical Data
Investment Management
(unaudited)

	Quarter Ended			Percentage Change From:		Six Months Ended		Percentage
	June 30, 2015	Mar 31, 2015	June 30, 2014	Mar 31, 2015	June 30, 2014	June 30, 2015	June 30, 2014	Change
Net Revenues (millions)								
Traditional Asset Management	$ 431	$ 439	$ 449	(2%)	(4%)	$ 870	$ 898	(3%)
Merchant Banking and Real Estate Investing [(1)]	320	230	256	39%	25%	550	559	(2%)
Total Investment Management	$ 751	$ 669	$ 705	12%	7%	$ 1,420	$ 1,457	(3%)
Assets under management or supervision (billions)								
Net flows by asset class [(2)]								
Traditional Asset Management								
Equity	$ (4.4)	$ (2.0)	$ 1.1	(120%)	*	$ (6.4)	$ 3.9	*
Fixed Income	(0.3)	1.1	0.0	*	*	0.8	(0.7)	*
Liquidity	0.7	2.8	6.9	(75%)	(90%)	3.5	9.2	(62%)
Alternatives	0.6	0.1	0.8	*	(25%)	0.7	2.6	(73%)
Managed Futures	0.0	(0.3)	(0.3)	*	*	(0.3)	(0.5)	40%
Total Traditional Asset Management	(3.4)	1.7	8.5	*	*	(1.7)	14.5	*
Merchant Banking and Real Estate Investing	(0.6)	(0.4)	(1.2)	(50%)	50%	(1.0)	(1.4)	29%
Total net flows	$ (4.0)	$ 1.3	$ 7.3	*	*	$ (2.7)	$ 13.1	*
Assets under management or supervision by asset class [(3)]								
Traditional Asset Management								
Equity	$ 137	$ 141	$ 150	(3%)	(9%)			
Fixed Income	64	65	62	(2%)	3%			
Liquidity	132	131	121	1%	9%			
Alternatives	37	36	35	3%	6%			
Managed Futures	3	3	3	--	--			
Total Traditional Asset Management	373	376	371	(1%)	1%			
Merchant Banking and Real Estate Investing	30	30	28	--	7%			
Total Assets Under Management or Supervision	$ 403	$ 406	$ 399	(1%)	1%			
Share of minority stake assets	$ 7	$ 7	$ 7	--	--			

Notes: - Refer to End Notes, Definition of Performance Metrics and GAAP to Non-GAAP Measures and Legal Notice on pages 14 - 16.

Morgan Stanley

MORGAN STANLEY
Quarterly U.S. Bank Supplemental Financial Information
(unaudited, dollars in billions)

	Quarter Ended			Percentage Change From:	
	June 30, 2015	**Mar 31, 2015**	**June 30, 2014**	**Mar 31, 2015**	**June 30, 2014**
U.S. Bank assets	$ 156.2	$ 153.6	$ 132.1	2%	18%
U.S. Bank investment securities portfolio [(1)]	$ 52.9	$ 58.3	$ 56.5	(9%)	(6%)
Wealth Management U.S. Bank Data					
Securities-based lending and other loans	$ 25.3	$ 22.8	$ 18.4	11%	37%
Residential real estate loans	18.4	16.9	12.7	9%	45%
Total Securities-based and residential loans	$ 43.7	$ 39.7	$ 31.1	10%	40%
Institutional Securities U.S. Bank Data					
Corporate Lending	$ 10.5	$ 10.1	$ 9.7	4%	8%
Other Lending:					
Corporate loans	10.8	9.4	5.9	15%	83%
Wholesale real estate loans	9.6	9.0	4.9	7%	96%
Total other funded loans	$ 20.4	$ 18.4	$ 10.8	11%	89%
Total corporate and other funded loans	$ 30.9	$ 28.5	$ 20.5	8%	51%

Notes: - Refer to End Notes, Definition of Performance Metrics and GAAP to Non-GAAP Measures and Legal Notice on pages 14 - 16.

Morgan Stanley

MORGAN STANLEY
Quarterly Consolidated Return on Equity Financial Information
(unaudited, dollars in billions)

	Quarter Ended			Percentage Change From:		Six Months Ended		Percentage
	June 30, 2015	Mar 31, 2015	June 30, 2014	Mar 31, 2015	June 30, 2014	June 30, 2015	June 30, 2014	Change
Average Common Equity Tier 1 capital [1]								
Institutional Securities	$ 33.3	$ 35.1	$ 32.5	(5%)	2%	$ 34.2	$ 31.0	10%
Wealth Management	4.9	3.9	5.5	26%	(11%)	4.5	5.3	(15%)
Investment Management	1.4	1.3	2.1	8%	(33%)	1.4	1.8	(22%)
Parent capital	18.5	16.4	16.8	13%	10%	17.3	18.1	(4%)
Firm	$ 58.1	$ 56.7	$ 56.9	2%	2%	$ 57.4	$ 56.2	2%
Average Common Equity [1]								
Institutional Securities	$ 35.3	$ 37.0	$ 33.3	(5%)	6%	$ 36.1	$ 31.9	13%
Wealth Management	11.3	10.3	11.5	10%	(2%)	10.9	11.4	(4%)
Investment Management	2.3	2.3	3.1	--	(26%)	2.3	2.8	(18%)
Parent capital	18.3	16.0	16.7	14%	10%	17.0	17.8	(4%)
Firm	$ 67.2	$ 65.6	$ 64.6	2%	4%	$ 66.3	$ 63.9	4%
Return on average Common Equity Tier 1 capital [1]								
Institutional Securities	12%	20%	15%			16%	14%	
Wealth Management	42%	49%	32%			44%	31%	
Investment Management	45%	34%	27%			39%	29%	
Firm	11%	16%	13%			14%	12%	
Return on average Common Equity [1]								
Institutional Securities	11%	19%	15%			15%	14%	
Wealth Management	18%	19%	15%			18%	15%	
Investment Management	28%	19%	18%			24%	19%	
Firm	10%	14%	11%			12%	10%	

Notes: - Refer to End Notes, Definition of Performance Metrics and GAAP to Non-GAAP Measures and Legal Notice on pages 14 - 16.

Morgan Stanley

MORGAN STANLEY
Quarterly Earnings Per Share
(unaudited, dollars in millions, except for per share data)

	Quarter Ended			Percentage Change From:		Six Months Ended		Percentage
	June 30, 2015	Mar 31, 2015	June 30, 2014	Mar 31, 2015	June 30, 2014	June 30, 2015	June 30, 2014	Change
Income (loss) from continuing operations	$ 1,833	$ 2,468	$ 1,917	(26%)	(4%)	$ 4,301	$ 3,502	23%
Net income applicable to nonredeemable noncontrolling interests	24	69	18	(65%)	33%	93	97	(4%)
Income (loss) from continuing operations applicable to Morgan Stanley	1,809	2,399	1,899	(25%)	(5%)	4,208	3,405	24%
Less: Preferred Dividends	141	78	76	81%	86%	219	130	68%
Income (loss) from continuing operations applicable to Morgan Stanley, prior to allocation of income to Participating Restricted Stock Units	1,668	2,321	1,823	(28%)	(9%)	3,989	3,275	22%
Basic EPS Adjustments:								
Less: Allocation of earnings to Participating Restricted Stock Units	1	2	3	(50%)	(67%)	3	5	(40%)
Earnings (loss) from continuing operations applicable to Morgan Stanley common shareholders	**$ 1,667**	**$ 2,319**	**$ 1,820**	(28%)	(8%)	**$ 3,986**	**$ 3,270**	22%
Gain (loss) from discontinued operations after tax	(2)	(5)	0	60%	*	(7)	(1)	*
Less: Gain (loss) from discontinued operations after tax applicable to noncontrolling interests	0	0	0	--	--	0	0	--
Gain (loss) from discontinued operations after tax applicable to Morgan Stanley	(2)	(5)	0	60%	*	(7)	(1)	*
Less: Allocation of earnings to Participating Restricted Stock Units	0	0	0	--	--	0	0	--
Earnings (loss) from discontinued operations applicable to Morgan Stanley common shareholders	**(2)**	**(5)**	**0**	60%	*	**(7)**	**(1)**	*
Earnings (loss) applicable to Morgan Stanley common shareholders	**$ 1,665**	**$ 2,314**	**$ 1,820**	(28%)	(9%)	**$ 3,979**	**$ 3,269**	22%
Average basic common shares outstanding (millions)	1,919	1,924	1,928	--	--	1,922	1,926	--
Earnings per basic share:								
Income from continuing operations	**$ 0.87**	**$ 1.21**	**$ 0.94**	(28%)	(7%)	**$ 2.07**	**$ 1.70**	22%
Discontinued operations	**$ -**	**$ (0.01)**	**$ -**	*	--	**$ -**	**$ -**	--
Earnings per basic share	**$ 0.87**	**$ 1.20**	**$ 0.94**	(28%)	(7%)	**$ 2.07**	**$ 1.70**	22%
Earnings (loss) from continuing operations applicable to Morgan Stanley common shareholders	**$ 1,667**	**$ 2,319**	**$ 1,820**	(28%)	(8%)	**$ 3,986**	**$ 3,270**	22%
Earnings (loss) from discontinued operations applicable to Morgan Stanley common shareholders	(2)	(5)	0	60%	*	(7)	(1)	*
Earnings (loss) applicable to Morgan Stanley common shareholders	**$ 1,665**	**$ 2,314**	**$ 1,820**	(28%)	(9%)	**$ 3,979**	**$ 3,269**	22%
Average diluted common shares outstanding and common stock equivalents (millions)	1,960	1,963	1,969	--	--	1,962	1,969	--
Earnings per diluted share:								
Income from continuing operations	**$ 0.85**	**$ 1.18**	**$ 0.92**	(28%)	(8%)	**$ 2.03**	**$ 1.66**	22%
Discontinued operations	**$ -**	**$ -**	**$ -**	--	--	**$ -**	**$ -**	--
Earnings per diluted share	**$ 0.85**	**$ 1.18**	**$ 0.92**	(28%)	(8%)	**$ 2.03**	**$ 1.66**	22%

Notes: - Refer to End Notes, Definitions of Performance Metrics to GAAP and Non-GAAP Measures and Legal Notice on pages 14 - 16.

MORGAN STANLEY
End Notes

Page 2:
(1)In the quarter ended March 31, 2015, income tax provision / (benefit) from continuing operations included a net discrete tax benefit of $564 million primarily associated with the repatriation of non-U.S. earnings at a cost lower than originally estimated due to an internal restructuring to simplify the Firm's legal entity organization in the U.K., reported in the Institutional Securities business segment. In the quarter ended June 30, 2014, income tax provision / (benefit) from continuing operations included a net discrete tax benefit of $609 million principally related to the remeasurement of reserves and related interest due to new information regarding the status of a multi-year tax authority examination.

Page 4:
(1)For the quarters ended June 30, 2015, March 31, 2015 and June 30, 2014 the percentage of Institutional Securities corporate funded loans by credit rating was as follows:
- % investment grade: 45%, 43% and 40%
- % non-investment grade: 55%, 57% and 60%

(2)For the quarters ended June 30, 2015, March 31, 2015 and June 30, 2014 the percentage of Institutional Securities corporate lending commitments by credit rating was as follows:
- % investment grade: 70%, 72% and 74%
- % non-investment grade: 30%, 28% and 26%

(3)On June 30, 2015, March 31, 2015 and June 30, 2014, the "event-driven" portfolio of loans and lending commitments to non-investment grade borrowers were $12.1 billion, $13.2 billion and $13.2 billion, respectively.
(4)The Institutional Securities business segment engages in other lending activity. These activities include commercial and residential mortgage lending, asset-backed lending, corporate loans purchased in the secondary market, financing extended to equities and commodities customers, and loans to municipalities.
(5)For the quarters ended June 30, 2015, March 31, 2015 and June 30, 2014, Institutional Securities recorded a provision for credit losses (release) of $2.2 million, $26.0 million and $13.1 million, respectively, related to funded loans and $(28.7) million, $36.5 million and $11.1 million related to unfunded commitments, respectively.
(6)For the quarters ended June 30, 2015, March 31, 2015 and June 30, 2014, Wealth Management recorded a provision for credit losses of $1.6 million, $0.4 million and $1.2 million, respectively, related to funded loans and there was no material provision recorded related to the unfunded commitments for each of the quarterly periods presented.

Page 5:
(1)In the quarter ended March 31, 2015, income tax provision / (benefit) from continuing operations included a net discrete tax benefit of $564 million primarily associated with the repatriation of non-U.S. earnings at a cost lower than originally estimated due to an internal restructuring to simplify the Firm's legal entity organization in the U.K. In the quarter ended June 30, 2014, income tax provision / (benefit) from continuing operations included a net discrete tax benefit of $612 million principally related to the remeasurement of reserves and related interest due to new information regarding the status of a multi-year tax authority examination.

Page 8:
(1)For the quarters ended March 31, 2015 and June 30, 2014, approximately $130 billion and $109 billion, respectively, of the assets in the bank deposit program are attributable to Morgan Stanley.

Page 9:
(1)The quarters ended June 30, 2015, March 31, 2015 and June 30, 2014 include investment gains (losses) for certain funds included in the Firm's consolidated financial statements. The limited partnership interests in these gains were reported in net income (loss) applicable to noncontrolling interests.

Page 10:
(1)Real Estate Investing revenues within Merchant banking and Real Estate Investing includes gains or losses related to investments held by certain consolidated real estate funds. These gains or losses are offset in net income (loss) applicable to noncontrolling interests.
(2)Net Flows by region [inflow / (outflow)] for the quarters ended June 30, 2015, March 31, 2015 and June 30, 2014 were:
North America: $(1.1) billion, $(1.5) billion and $2.8 billion
International: $(2.9) billion, $2.8 billion and $4.5 billion
(3)Assets under management or supervision by region for the quarters ended June 30, 2015, March 31, 2015 and June 30, 2014 were:
North America: $252 billion, $253 billion and $246 billion
International: $151 billion, $153 billion and $153 billion

Page 11:
(1)For the quarters ended June 30, 2015, March 31, 2015 and June 30, 2014, the U.S. Bank investment securities portfolio owned held to maturity investment securities of $2.4 billion, $1.6 billion and $0 million, respectively.

Page 12:
(1)In the quarter ended March 31, 2015, the returns on average Common Equity and average Common Equity Tier 1 Capital for Institutional Securities reflect the impact of a net discrete tax benefit of $564 million related to an internal restructuring to simplify the Firm's legal entity organization in the U.K. In the quarter ended June 30, 2014, the returns on average Common Equity and average Common Equity Tier 1 Capital for Institutional Securities reflect the impact of a net discrete tax benefit of $609 million related related to the remeasurement of reserves and related interest due to new information regarding the status of a multi-year tax authority examination.

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Definition of Performance Metrics and GAAP to Non-GAAP Measures

GAAP vs. Non-GAAP Measures

(a) From time to time, Morgan Stanley may disclose certain “non-GAAP financial measures” in the course of its earnings releases, earnings conference calls, financial presentations and otherwise. For these purposes, “GAAP” refers to generally accepted accounting principles in the United States. The Securities and Exchange Commission (SEC) defines a “non-GAAP financial measure” as a numerical measure of historical or future financial performance, financial positions, or cash flows that is subject to adjustments that effectively exclude, or include amounts from the most directly comparable measure calculated and presented in accordance with GAAP. Non-GAAP financial measures disclosed by Morgan Stanley are provided as additional information to investors in order to provide them with greater transparency about, or an alternative method for assessing, our financial condition and operating results. These measures are not in accordance with, or a substitute for GAAP, and may be different from or inconsistent with non-GAAP financial measures used by other companies. Whenever we refer to a non-GAAP financial measure, we will also generally define it or present the most directly comparable financial measure calculated and presented in accordance with GAAP, along with a reconciliation of the differences between the non-GAAP financial measure we reference and such comparable GAAP financial measure. In addition to the following notes, please also refer to the Firm's second quarter earnings release footnotes for such definitions and reconciliations.

(b) The following are considered non-GAAP financial measures: return on average common equity metrics, return on average common equity excluding DVA metrics and return on average Common Equity Tier 1 capital, Tangible Common Equity, Tangible book value per common share and pre-tax margin. These measures are calculated as follows:

- The return on average common equity and the return on average common equity from continuing operations equal income applicable to Morgan Stanley in each case less preferred dividends as a percentage of average common equity.
- The return on average common equity and the return on average common equity from continuing operations excluding DVA are adjusted for DVA in each case in the numerator and denominator.
- The return on average Common Equity Tier 1 capital from continuing operations equals income applicable to Morgan Stanley less preferred dividends as a percentage of average Common Equity Tier 1 capital.
- Tangible common equity equals common equity less goodwill and intangible assets net of allowable mortgage servicing rights deduction.
- Tangible book value per common share equals tangible common equity divided by period end common shares outstanding.
- Pre-tax profit margin percentages represent income from continuing operations before income taxes as a percentage of net revenues.

(c) Results for the quarters ended June 30, 2015, March 31, 2015 and June 30, 2014, include positive revenue of $182 million, $125 million and $87 million, respectively, related to the change in the fair value of certain of the Firm's long-term and short-term borrowings resulting from the fluctuation in the Firm's credit spreads and other credit factors (Debt Valuation Adjustment, DVA).

(d) The pro forma fully phased-in Common Equity Tier 1 risk-based capital ratio and pro forma fully phased-in Supplementary Leverage Ratio are non-GAAP financial measures that the Company considers to be useful measures for evaluating compliance with new regulatory capital requirements that have not yet become effective. Supplementary leverage ratio equals Tier 1 capital (calculated under U.S. Basel III transitional rules) divided by the total supplementary leverage exposure. For information on the calculation of regulatory capital and ratios for prior periods, please refer to Part 2, Item 7 "Regulatory Requirements" in Morgan Stanley's Annual Report on Form 10-K for the year ended December 31, 2014 and Part 1, item 2 "Regulatory Requirements" in Morgan Stanley's Quarterly Report on Form 10-Q for the quarter ended March 31, 2015.

Definitions and notes on financial performance metrics

(a) Book value per common share equals common equity divided by period end common shares outstanding.

(b) Firmwide regional revenues reflect the Firm's consolidated net revenues on a managed basis. Further discussion regarding the geographic methodology for net revenues is disclosed in Note 21 to the consolidated financial statements included in the Firm's Annual Report on Form 10-K for the year ended December 31, 2014.

(c) As a U.S. Basel III Advanced Approach banking organization, the Firm is required to compute risk-based capital ratios using both (i) standardized approaches for calculating credit risk weighted assets (“RWAs”) and market risk RWAs (the “Standardized Approach”); and (ii) an advanced internal ratings-based approach for calculating credit risk RWAs, an advanced measurement approach for calculating operational risk RWAs, and an advanced approach for market risk RWAs calculated under Basel III (the “Advanced Approach”). To implement a provision of the Dodd-Frank Act, U.S. Basel III subjects Advanced Approach banking organizations that have been approved by their regulators to exit the parallel run, such as the Firm, to a permanent “capital floor.” In calendar year 2014, the capital floor resulted in the Firm's capital ratios being the lower of the capital ratios computed under the Advanced Approach the U.S. Basel I-based rules as supplemented by the market risk rules known as “Basel 2.5”. Beginning on January 1, 2015, the capital floor is the lower of the capital ratios computed under the Advanced Approach or the Standardized Approach under U.S. Basel III, taking into consideration applicable transitional provisions. As of June 30, 2015, the lower ratio is represented by U.S. Basel III Advanced Approach. These computations are preliminary estimates as of July 20, 2015 (the date of this release) and could be subject to revision in Morgan Stanley’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2015. For information on the calculation of regulatory capital and ratios for prior periods, please refer to Part 2, Item 7 "Regulatory Requirements" in Morgan Stanley's Annual Report on Form 10-K for the year ended December 31, 2014 and Part 1, item 2 "Regulatory Requirements" in Morgan Stanley's Quarterly Report on Form 10-Q for the quarter ended March 31, 2015.

(d) The global liquidity reserve, which is held within the bank and non-bank operating subsidiaries, is comprised of highly liquid and diversified cash and cash equivalents and unencumbered securities. Eligible unencumbered securities include U.S. government securities, U.S. agency securities, U.S. agency mortgage-backed securities, non-U.S. government securities and other highly liquid investment grade securities.

(e) The Firm's goodwill and intangible balances are net of allowable mortgage servicing rights deduction.

(f) Institutional Securities net income applicable to noncontrolling interests primarily represents the allocation to Mitsubishi UFJ Financial Group, Inc. of Morgan Stanley MUFG Securities Co., Ltd, which the Firm consolidates.

(g) VaR represents the loss amount that one would not expect to exceed, on average, more than five times every one hundred trading days in the Firm's trading positions if the portfolio were held constant for a one-day period. Further discussion of the calculation of VaR and the limitations of the Firm's VaR methodology, is disclosed in Part II, Item 7A "Quantitative and Qualitative Disclosures about Market Risk" included in the Firm's 2014 Form 10-K.

(h) Annualized revenue per Wealth Management representative is defined as annualized revenue divided by average representative headcount.

(i) Client assets per Wealth Management representative represents total client assets divided by period end representative headcount.

(j) Wealth Management client liabilities reflect U.S. Bank lending and broker dealer margin activity.

(k) Wealth Management fee-based client account assets represent the amount of assets in client accounts where the basis of payment for services is a fee calculated on those assets.

(l) Wealth Management fee-based asset flows include net new fee-based assets, net account transfers, dividends, interest, and client fees and exclude cash management related activity.

(m) The alternatives asset class within Traditional Asset Management includes a range of investment products such as funds of hedge funds, funds of private equity funds and funds of real estate funds.

(n) Investment Management net flows include new commitments, investments or reinvestments, net of client redemptions, returns of capital post-fund investment period and dividends not reinvested; and excludes the impact of the transition of funds from their commitment period to the invested capital period.

(o) The share of minority stake assets represents Investment Management's proportional share of assets managed by entities in which it owns a minority stake.

(p) U.S. Bank refers to the Firm's U.S. Bank operating subsidiaries Morgan Stanley Bank, N.A. and Morgan Stanley Private Bank, National Association and excludes transactions with affiliated entities.

(q) The Institutional Securities U.S. Bank other lending data includes activities related to commercial and residential mortgage lending, asset-backed lending, corporate loans purchased in the secondary market, financing extended to equities and commodities customers, and loans to municipalities.

(r) The Firm's capital estimation and attribution to the business segments are based on the Required Capital framework, an internal capital adequacy measure which considers risk, leverage, potential losses from extreme stress events, and diversification under a going concern capital concept at a point in time. The framework also takes into consideration regulatory capital requirements as well as capital required for organic growth, acquisitions and other business needs. For further discussion of the framework, refer to Part I, Item 2 "Regulatory Requirements" in Morgan Stanley's Quarterly Report on Form 10-Q for the quarter ended March 31, 2015.

(s) Preferred stock dividend / other includes allocation of earnings to Participating Restricted Stock Units (RSUs).

(t) The Firm calculates earnings per share using the two-class method as described under the accounting guidance for earnings per share. For further discussion of the Firm's earnings per share calculations, see page 13 of the Financial Supplement and Note 14 to the consolidated financial statements in the Firm's Quarterly Report on Form 10-Q for the quarter ended March 31, 2015.

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Legal Notice

This Financial Supplement contains financial, statistical and business-related information, as well as business and segment trends. The information should be read in conjunction with the Firm's second quarter earnings press release issued July 20, 2015.