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): January 20, 2021

Morgan Stanley
(Exact Name of Registrant as Specified in Charter)

Delaware	**1-11758**	**36-3145972**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

1585 Broadway, New York, New York	**10036**
(Address of Principal Executive Offices)	(Zip Code)

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

Not Applicable
(Former Name or 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:

☐ 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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value	MS	New York Stock Exchange
Depositary Shares, each representing 1/1,000th interest in a share of Floating Rate Non-Cumulative Preferred Stock, Series A, $0.01 par value	MS/PA	New York Stock Exchange
Depositary Shares, each representing 1/1,000th interest in a share of Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series E, $0.01 par value	MS/PE	New York Stock Exchange
Depositary Shares, each representing 1/1,000th interest in a share of Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series F, $0.01 par value	MS/PF	New York Stock Exchange
Depositary Shares, each representing 1/1,000th interest in a share of Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series I, $0.01 par value	MS/PI	New York Stock Exchange
Depositary Shares, each representing 1/1,000th interest in a share of Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series K, $0.01 par value	MS/PK	New York Stock Exchange
Depositary Shares, each representing 1/1,000th interest in a share of 4.875% Non-Cumulative Preferred Stock, Series L, $0.01 par value	MS/PL	New York Stock Exchange
Global Medium-Term Notes, Series A, Fixed Rate Step-Up Senior Notes Due 2026 of Morgan Stanley Finance LLC (and Registrant's guarantee with respect thereto)	MS/26C	New York Stock Exchange
Morgan Stanley Cushing® MLP High Income Index ETNs due March 21, 2031	MLPY	NYSE Arca, Inc.

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

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

Item 2.02 Results of Operations and Financial Condition.

On January 20, 2021, Morgan Stanley (the "Company") released financial information with respect to its quarter and year ended December 31, 2020. 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 Company's Financial Data Supplement for its quarter and year ended December 31, 2020 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 7.01 Regulation FD Disclosure.

On January 20, 2021, Morgan Stanley (the "Company") released financial information with respect to its quarter and year ended December 31, 2020 and will hold an investor conference call. Exhibit 99.3 is a copy of a presentation (the "Presentation") to be presented on the conference call, furnished for, and posted on the Company's website.

The Presentation is being furnished pursuant to Item 7.01, and the information contained therein shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities under that Section. Furthermore, the information contained in Exhibit 99.3 shall not be deemed to be incorporated by reference into the filings of the Registrant under the Securities Act of 1933, as amended.

Item 7.01 of this Current Report on Form 8-K (including Exhibit 99.3 hereto) contains forward-looking statements, including the attainment of certain financial and other targets, objectives and goals. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they are made, which reflect management's current estimates, projections, expectations, assumptions, interpretations or beliefs and which are subject to risks and uncertainties that may cause actual results to differ materially. Morgan Stanley does not undertake to update the forward-looking statements to reflect the impact of circumstances or events that may arise after the date of the forward-looking statements. For a discussion of risks and uncertainties that may affect the future results of Morgan Stanley, 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 Risk" in Part II, Item 7A, each of Morgan Stanley's Annual Report on Form 10-K for the year ended December 31, 2019 and other items throughout the Form 10-K, Morgan Stanley's Quarterly Reports on Form 10-Q, Morgan Stanley's Current Reports on Form 8-K, the additional risk factors in the Company's Form 8-Ks filed on April 16, 2020 and October 2, 2020, respectively, and the additional risk factors under "Risk Factors" in the Registration Statement on Form S-4 filed on December 4, 2020, including any amendments thereto, which have been filed with the Securities and Exchange Commission and are available on Morgan Stanley's website at www.morganstanley.com and on the Securities and Exchange Commission's website at www.sec.gov.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
99.1	Press release of the Company, dated January 20, 2021, containing financial information for the quarter and year ended December 31, 2020.
99.2	Financial Data Supplement of the Company for the quarter and year ended December 31, 2020.
99.3	Morgan Stanley Presentation, dated January 20, 2021.
101	Interactive Data Files pursuant to Rule 406 of Regulation S-T formatted in Inline eXtensible Business Reporting Language ("Inline XBRL").
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101).

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)
Date: January 20, 2021	By: /s/ Raja Akram
	Name: Raja Akram
	Title: Deputy Chief Financial Officer

End of Document

Morgan Stanley Fourth Quarter and Full Year 2020 Earnings Results

Morgan Stanley Reports Fourth Quarter Net Revenues of $13.6 Billion, EPS of $1.81 and ROTCE of 17.7%; Record Full Year Net Revenues of $48.2 Billion, EPS of $6.46 and ROTCE of 15.2%

NEW YORK, January 20, 2021 – Morgan Stanley (NYSE: MS) today reported net revenues of $13.6 billion for the fourth quarter ended December 31, 2020 compared with $10.9 billion a year ago. Net income applicable to Morgan Stanley was $3.4 billion, or $1.81 per diluted share,[1] compared with $2.2 billion, or $1.30 per diluted share,[1] for the same period a year ago. The comparisons of current year results to prior periods were impacted by the acquisition of E*TRADE Financial Corporation ("E*TRADE"), completed on October 2, 2020, reported in the Wealth Management segment.

Full year net revenues were a record $48.2 billion compared with $41.4 billion a year ago. Net income applicable to Morgan Stanley for the current year was $11.0 billion, or $6.46 per diluted share,[1] compared with $9.0 billion, or $5.19 per diluted share,[1] a year ago.

James P. Gorman, *Chairman and Chief Executive Officer, said, "The Firm produced a very strong quarter and record full-year results, with excellent performance across all three businesses and geographies. I am extremely proud of how our employees came together to support each other and our communities and deliver for our clients in an incredibly challenging year. Our unique business model continues to serve us well as we further execute on our long-term strategy with the acquisitions of E*TRADE and Eaton Vance. We enter 2021 with significant momentum, and I am very confident in our competitive position and our opportunities for continued growth."*

Financial Summary[2,3]

Firm ($MM, except per share data)	4Q 2020	4Q 2019	FY 2020	FY 2019
Net revenues	$ 13,640	$ 10,857	$ 48,198	$ 41,419
Compensation expense	$ 5,450	$ 5,228	$ 20,854	$ 18,837
Non-compensation expenses	$ 3,760	$ 2,896	$ 12,926	$ 11,281
Pre-tax income[8]	$ 4,430	$ 2,733	$ 14,418	$ 11,301
Net income app. to MS	$ 3,385	$ 2,239	$ 10,996	$ 9,042
Expense efficiency ratio[6]	68%	75%	70%	73%
Earnings per diluted share	$ 1.81	$ 1.30	$ 6.46	$ 5.19
Book value per share	$ 51.13	$ 45.82	$ 51.13	$ 45.82
Tangible book value per share	$ 41.95	$ 40.01	$ 41.95	$ 40.01
Return on equity	14.7%	11.3%	13.1%	11.7%
Return on tangible equity[4]	17.7%	13.0%	15.2%	13.4%
Institutional Securities				
Net revenues	$ 7,004	$ 5,054	$ 25,948	$ 20,386
Investment Banking	$ 2,302	$ 1,576	$ 7,204	$ 5,734
Sales & Trading	$ 4,220	$ 3,194	$ 18,792	$ 13,695
Wealth Management				
Net revenues	$ 5,681	$ 4,582	$ 19,055	$ 17,737
Fee-based client assets ($Bn)[9]	$ 1,472	$ 1,267	$ 1,472	$ 1,267
Fee-based asset flows ($Bn)[10]	$ 24.1	$ 24.9	$ 77.4	$ 64.9
Net new assets ($Bn)[11]	$ 66.1	$ 27.1	$ 175.4	$ 97.8
Loans ($Bn)	$ 98.1	$ 80.1	$ 98.1	$ 80.1
Investment Management				
Net revenues	$ 1,100	$ 1,356	$ 3,734	$ 3,763
AUM ($Bn)[12]	$ 781	$ 552	$ 781	$ 552
Long-term net flows ($Bn)[13]	$ 8.5	$ 6.7	$ 41.0	$ 15.4

Highlights

- The Firm's full year results reflect both record net revenues of $48 billion up 16% year over year and net income of $11 billion up 22%.
- The Firm delivered full year ROTCE of 15.2% or 15.4% excluding the impact of integration-related expenses.[4,5]
- The full year Firm expense efficiency ratio was 70% excluding the impact of integration-related expenses.[5,6]
- Common Equity Tier 1 capital standardized ratio of 17.4%.
- Institutional Securities delivered record full year net revenues of $25.9 billion. Fourth quarter net revenues were up 39% driven by continued strong client engagement in a constructive market environment.
- Wealth Management delivered a full year pre-tax margin of 23.0% (24.2% excluding $231 million of integration-related expenses).[7] Fourth quarter results reflect growth in client assets, increases in bank deposits and lending as well as strong transactional activity.
- Strong Investment Management results reflect record asset management fees in both the quarter and full year driven by record AUM of $781 billion and record long-term net flows of $41 billion.

Fourth Quarter Results

Institutional Securities

Institutional Securities reported net revenues for the current quarter of $7.0 billion compared with $5.1 billion a year ago. Pre-tax income was $3.2 billion compared with $1.1 billion a year ago.[8]

($ millions)	4Q 2020	4Q 2019
Net Revenues	**$ 7,004**	**$ 5,054**
Investment Banking	**$ 2,302**	**$ 1,576**
Advisory	$ 827	$ 654
Equity underwriting	$ 1,000	$ 422
Fixed income underwriting	$ 475	$ 500
Sales and Trading	**$ 4,220**	**$ 3,194**
Equity	$ 2,498	$ 1,920
Fixed Income	$ 1,664	$ 1,273
Other	$ 58	$ 1
Investments and Other	**$ 482**	**$ 284**
Investments	$ 68	$ 68
Other	$ 414	$ 216
Total Expenses	**$ 3,844**	**$ 3,929**
Compensation	$ 1,575	$ 2,057
Non-compensation	$ 2,269	$ 1,872

Investment Banking revenues up 46% from a year ago:

- Advisory revenues increased from a year ago driven by higher M&A completed transactions.
- Equity underwriting revenues increased from a year ago driven by higher revenues on IPOs, blocks and follow-on offerings.
- Fixed income underwriting revenues decreased from a year ago as lower volumes contributed to a decline in bond revenues, partially offset by higher event driven activity.

Sales and Trading net revenues up 32% from a year ago:

- Equity sales and trading net revenues increased from a year ago reflecting strong performance across products and geographies driven by increased client activity, with particular strength in derivatives.
- Fixed Income sales and trading net revenues increased from a year ago reflecting strong performance across businesses, benefitting from strong client engagement and market volatility, with notable strength in foreign exchange and credit products.
- Other sales and trading net revenues increased from a year ago reflecting gains on investments associated with certain employee deferred compensation plans.

Investments and Other:

- Other revenues increased from a year ago primarily driven by a reduction in the provision for credit losses on loans held for investment, mark-to-market gains on loans held for sale related to corporate lending activity and gains on the sale of a commodities related intangible asset.

Total Expenses:

- Compensation expense decreased from a year ago driven by lower discretionary compensation, partially offset by increases in the fair value of deferred compensation plan referenced investments.
- Non-compensation expenses increased from a year ago driven by higher volume related expenses, higher litigation expense, and an increase in the provision for credit losses on unfunded lending commitments.

Wealth Management

Wealth Management reported net revenues for the current quarter of $5.7 billion compared with $4.6 billion a year ago. Pre-tax income of $1.1 billion[8] in the current quarter resulted in a pre-tax margin of 18.8%[7] or 22.9% excluding the impact of integration-related expenses.[5] The comparisons of current year results to prior periods were impacted by the acquisition of E*TRADE.

Net revenues up 24% from a year ago:

- Asset management revenues increased from a year ago reflecting higher asset levels driven by market appreciation and strong fee-based flows.
- Transactional revenues[14] increased 37% excluding the impact of mark-to-market gains on investments associated with certain employee deferred compensation plans. Results reflect strong client activity in both the advisor-led and self-directed channels.
- Net interest income (NII) increased from a year ago driven by incremental NII as a result of the E*TRADE acquisition as well as higher deposits and bank lending, partially offset by the impact of lower average rates.

Total Expenses:

- Compensation expense increased from a year ago driven by incremental compensation as a result of the E*TRADE acquisition and integration-related expenses,[5] increases in the fair value of deferred compensation plan referenced investments, and higher compensable revenues.
- Non-compensation expense increased from a year ago primarily driven by incremental operating and other expenses as a result of the E*TRADE acquisition and integration-related expenses.[5]

($ millions)	4Q 2020	4Q 2019
Net Revenues	**$ 5,681**	**$ 4,582**
Asset management	$ 2,975	$ 2,655
Transactional[14]	$ 1,340	$ 829
Net interest	$ 1,207	$ 1,033
Other	$ 159	$ 65
Total Expenses	**$ 4,611**	**$ 3,419**
Compensation	$ 3,345	$ 2,590
Non-compensation	$ 1,266	$ 829

Investment Management

Investment Management reported net revenues of $1.1 billion compared with $1.4 billion a year ago. Pre-tax income was $196 million compared with $447 million a year ago.[8]

Net revenues down 19% from a year ago:

- Asset management revenues increased from a year ago driven by record AUM, reflecting strong investment performance and positive net flows.
- Investments revenues decreased from a year ago due to significant gains reflected in the prior year quarter related to an investment's initial public offering within an Asia private equity fund.

Total Expenses:

- Compensation expense decreased from a year ago principally due to lower carried interest in the quarter.
- Non-compensation expenses increased from a year ago driven by higher brokerage and clearing expense.

($ millions)	4Q 2020	4Q 2019
Net Revenues	**$ 1,100**	**$ 1,356**
Asset management	$ 869	$ 736
Investments	$ 256	$ 670
Other	$ (25)	$ (50)
Total Expenses	**$ 904**	**$ 909**
Compensation	$ 530	$ 581
Non-compensation	$ 374	$ 328

Full Year Results

Institutional Securities

Institutional Securities reported net revenues of $25.9 billion compared with $20.4 billion a year ago. Pre-tax income was $9.2 billion compared with $5.5 billion in the prior year.[8]

($ millions)	FY 2020	FY 2019
Net Revenues	**$ 25,948**	**$ 20,386**
Investment Banking	**$ 7,204**	**$ 5,734**
Advisory	$ 2,008	$ 2,116
Equity underwriting	$ 3,092	$ 1,708
Fixed income underwriting	$ 2,104	$ 1,910
Sales and Trading	**$ 18,792**	**$ 13,695**
Equity	$ 9,801	$ 8,056
Fixed Income	$ 8,824	$ 5,546
Other	$ 167	$ 93
Investments and Other	**$ (48)**	**$ 957**
Investments	$ 166	$ 325
Other	$ (214)	$ 632
Total Expenses	**$ 16,797**	**$ 14,896**
Compensation	$ 8,342	$ 7,433
Non-compensation	$ 8,455	$ 7,463

Investment Banking revenues up 26% from a year ago:

- Advisory revenues decreased from a year ago due to fewer large completed M&A transactions.
- Equity underwriting revenues increased 81% from a year ago driven by growth in blocks, IPOs and follow-on offerings as clients continued to access capital markets.
- Fixed income underwriting revenues increased from a year ago on higher investment and non-investment grade bond issuances driven by elevated volumes as clients accessed capital markets, partially offset by lower investment grade loan issuances.

Sales and Trading net revenues up 37% from a year ago:

- Equity sales and trading net revenues increased 22% from a year ago reflecting strong performance across products and geographies driven by increased client activity.
- Fixed Income sales and trading net revenues increased 59% from a year ago reflecting strong performance across businesses benefitting from strong client engagement and market volatility, with notable strength in foreign exchange and credit products.
- Other sales and trading net revenues increased from a year ago primarily driven by gains on economic hedges associated with corporate lending activity, partially offset by lower rates on liquidity investments.

Investments and Other:

- Revenues decreased from a year ago reflecting lower mark-to-market gains on investments.
- Other revenues decreased from a year ago due to mark-to-market losses on corporate loans held for sale and an increase in the provision for credit losses on loans held for investment.

Total Expenses:

- Compensation expense increased from a year ago driven by higher discretionary compensation expense as a result of higher revenues.
- Non-compensation expenses increased from a year ago driven by higher volume related expenses and an increase in the provision for credit losses on unfunded lending commitments.

Wealth Management

Wealth Management reported net revenues of $19.1 billion compared with $17.7 billion a year ago. Pre-tax income of $4.4 billion resulted in a pre-tax margin of 23.0%[7,8] or 24.2% excluding the impact of integration-related expenses.[5]

Net revenues up 7% from a year ago:

- Asset management revenues increased from a year ago on higher asset levels driven by market appreciation and record fee-based flows.
- Transactional revenues[14] increased from a year ago primarily driven by an increase in commissions on higher client activity, gains on investments associated with certain employee deferred compensation plans, and incremental revenues in the fourth quarter as a result of the E*TRADE acquisition.
- Net interest income decreased from a year ago primarily driven by the impact of lower interest rates, partially offset by increases due to higher deposits and bank lending as well as incremental NII as a result of the E*TRADE acquisition.

($ millions)	FY 2020	FY 2019
Net Revenues	**$ 19,055**	**$ 17,737**
Asset management	$ 10,955	$ 10,199
Transactional[14]	$ 3,694	$ 2,969
Net interest	$ 4,022	$ 4,222
Other	$ 384	$ 347
Total Expenses	**$ 14,668**	**$ 12,905**
Compensation	$ 10,970	$ 9,774
Non-compensation	$ 3,698	$ 3,131

Total Expenses:

- Compensation expense increased from a year ago primarily driven by higher compensable revenues, incremental compensation as a result of the E*TRADE acquisition and integration-related expenses,[5] as well as increases in the fair value of deferred compensation plan referenced investments.
- Non-compensation expenses increased from a year ago primarily driven by incremental operating and other expenses as a result of the E*TRADE acquisition, integration-related expenses,[5] and a regulatory charge, partially offset by lower marketing and business development expenses.

Investment Management

Investment Management net revenues were essentially unchanged from a year ago. Pre-tax income was $870 million compared with $985 million in the prior year.[8]

Net revenues:

- Asset management revenues increased from a year ago driven by record AUM, reflecting strong investment performance and positive net flows.
- Investments revenues decreased from a year ago driven by lower accrued carried interest.

($ millions)	FY 2020	FY 2019
Net Revenues	**$ 3,734**	**$ 3,763**
Asset management	$ 3,013	$ 2,629
Investments	$ 808	$ 1,213
Other	$ (87)	$ (79)
Total Expenses	**$ 2,864**	**$ 2,778**
Compensation	$ 1,542	$ 1,630
Non-compensation	$ 1,322	$ 1,148

Total Expenses:

- Compensation expense decreased from a year ago principally due to a decrease in carried interest.
- Non-compensation expenses increased from a year ago driven by higher brokerage and clearing costs.

Other Matters

- The Firm's Board of Directors authorized the repurchase of outstanding common stock of up to $10 billion in 2021.
- The Board of Directors declared a $0.35 quarterly dividend per share, payable on February 12, 2021 to common shareholders of record on January 29, 2021.
- The Firm's provision for credit losses on loans and lending commitments was $5 million for the fourth quarter of 2020, compared with $57 million for the fourth quarter of 2019 and $111 million for the third quarter of 2020. The allowance for credit losses on loans and lending commitments was $1.2 billion as of December 31, 2020, a decrease of approximately $29 million from September 30, 2020 and an increase of approximately $641 million from December 31, 2019.

	4Q 2020	4Q 2019	FY 2020	FY 2019
Common Stock Repurchases				
Repurchases ($MM)	NA	$ 1,500	$ 1,347	$ 5,360
Number of Shares (MM)	NA	31	29	121
Average Price	NA	$ 48.49	$ 46.01	$ 44.23
Period End Shares (MM)	1,810	1,594	1,810	1,594
Tax Rate	23.0%	15.7%	22.5%	18.3%
Capital[15]				
Standardized Approach				
CET1 capital[16]	17.4%	16.4%		
Tier 1 capital[16]	19.4%	18.6%		
Advanced Approach				
CET1 capital[16]	17.7%	16.9%		
Tier 1 capital[16]	19.8%	19.2%		
Leverage-based capital				
Tier 1 leverage[17]	8.4%	8.3%		
SLR[18]	7.4%	6.4%		

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 41 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.

NOTICE:

The information provided herein and in the financial supplement may include certain non-GAAP financial measures. The definition of such measures or reconciliation of such metrics to the comparable U.S. GAAP figures are included in this earnings release and the Financial Supplement, both of which are available on www.morganstanley.com.

This earnings release contains "forward-looking statements" within the meaning of the federal securities laws, including Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. In this context, forward-looking statements often address expected future business and financial performance and financial condition, and often contain words such as "expect," "anticipate," "intend," "plan," "believe," "seek," "see," "will," "would," "target," similar expressions, and variations or negatives of these words. Forward-looking statements by their nature address matters that are, to different degrees, uncertain, such as statements about the consummation of the proposed transaction and the anticipated benefits thereof. All such forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed in such forward-looking statements. Important risk factors that may cause such a difference include, but are not limited to, (i) the completion of the proposed transaction on anticipated terms and timing, including obtaining required regulatory approvals, anticipated tax treatment, unforeseen liabilities, future capital expenditures, revenues, expenses, earnings, synergies, economic performance, indebtedness, financial condition, losses, future prospects, business and management strategies for the management, expansion and growth of the combined company's operations and other conditions to the completion of the acquisition, including the possibility that any of the anticipated benefits of the proposed transaction will not be realized or will not be realized within the expected time period, (ii) the ability of Morgan Stanley and Eaton Vance to integrate the business successfully and to achieve anticipated synergies, risks and costs, (iii) potential litigation relating to the proposed transaction that could be instituted against Morgan Stanley, Eaton Vance or their respective directors, (iv) the risk that disruptions from the proposed transaction will harm Morgan Stanley's and Eaton Vance's business, including current plans and operations, (v) the ability of Morgan Stanley or Eaton Vance to retain and hire key personnel, (vi) potential adverse reactions or changes to business relationships resulting from the announcement or completion of the acquisition, (vii) continued availability of capital and financing and rating agency actions, (viii) legislative, regulatory and economic developments, (ix) potential business uncertainty, including changes to existing business relationships, during the pendency of the acquisition that could affect Morgan Stanley's and/or Eaton Vance's financial performance, (x) certain restrictions during the pendency of the acquisition that may impact Morgan Stanley's or Eaton Vance's ability to pursue certain business opportunities or strategic transactions, (xi) unpredictability and severity of catastrophic events, including, but not limited to, acts of terrorism or outbreak of war or hostilities, as well as Morgan Stanley's or Eaton Vance's management's response to any of the aforementioned factors, (xii) dilution caused by Morgan Stanley's issuance of additional shares of its common stock in connection with the proposed transaction, (xiii) the possibility that the transaction may be more expensive to complete than anticipated, including as a result of unexpected factors or events, (xiv) those risks described in Item 1A of Morgan Stanley's most recently filed Annual Report on Form 10-K and subsequent reports on Forms 10-Q and 8-K, (xv) those risks described in Item 1A of Eaton Vance's most recently filed Annual Report on Form 10-K and any subsequent reports on Forms 10-Q and 8-K and (xvi) those risks that are described in the registration statement on Form S-4 available from the sources indicated above. These risks, as well as other risks associated with the proposed acquisition, are more fully discussed in the registration statement on Form S-4, as amended, filed with the SEC in connection with the proposed acquisition. While the list of factors presented here is, and the list of factors presented in the registration statement on Form S-4 will be, considered representative, No such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward-looking statements. Consequences of material differences in results as compared with those anticipated in the forward-looking statements could include, among other things, business disruption, operational problems, financial loss, legal liability to third parties and similar risks, any of which could have a material adverse effect on Morgan Stanley's or Eaton Vance's consolidated financial condition, results of operations, credit rating or liquidity. Neither Morgan Stanley nor Eaton Vance assumes any obligation to publicly provide revisions or updates to any forward-looking statements, whether as a result of new information, future developments or otherwise, should circumstances change, except as otherwise required by securities and other applicable laws.

[1] Includes preferred dividends related to the calculation of earnings per share for the fourth quarter of 2020 and 2019 of approximately $119 million and $154 million, respectively. Includes preferred dividends related to the calculation of earnings per share for the years ended 2020 and 2019 of approximately $496 million and $530 million, respectively.

[2] The Firm prepares its Consolidated Financial Statements using accounting principles generally accepted in the United States (U.S. GAAP). 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. The Securities and Exchange Commission defines a "non-GAAP financial measure" as a numerical measure of historical or future financial performance, financial position, 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 U.S. GAAP. Non-GAAP financial measures disclosed by Morgan Stanley are provided as additional information to analysts, investors and other stakeholders in order to provide them with greater transparency about, or an alternative method for assessing our financial condition, operating results, or capital adequacy. These measures are not in accordance with, or a substitute for U.S. GAAP, and may be different from or inconsistent with non-GAAP financial measures used by other companies. Whenever we refer to a non-GAAP financial measure, we will also generally define it or present the most directly comparable financial measure calculated and presented in accordance with U.S. GAAP, along with a reconciliation of the differences between the non-GAAP financial measure we reference and such comparable U.S. GAAP financial measure.

[3] Our earnings releases, earnings conference calls, financial presentations and other communications may also include certain metrics which we believe to be useful to us, investors, analysts and other stakeholders by providing further transparency about, or an additional means of assessing, our financial condition and operating results.

[4] Return on average tangible common equity and return on average tangible common equity excluding integration-related expenses are non-GAAP financial measures that the Firm considers useful for analysts, investors and other stakeholders to allow comparability of period-to-period operating performance and capital adequacy. The calculation of return on average tangible common equity represents full year net income or annualized net income applicable for the quarter applicable to Morgan Stanley less preferred dividends as a percentage of average tangible common equity. Tangible common equity, also a non-GAAP financial measure, represents common equity less goodwill and intangible assets net of allowable mortgage servicing rights deduction.

[5] The Firm's fourth quarter results include $231 million of integration-related expenses on a pre-tax basis ($189 million after-tax) as a result of the E*TRADE acquisition. Total non-interest expenses include $151 million in compensation expense and $80 million in non-compensation expense.

[6] The Firm expense efficiency ratio of 70.1% represents total non-interest expenses as a percentage of net revenues. The Firm expense efficiency ratio excluding integration-related expenses of 69.6% represents total non-interest expenses adjusted for integration-related expenses as a percentage of net revenues. The Firm expense efficiency ratio excluding integration-related expenses is a non-GAAP financial measure that the Firm considers useful for analysts, investors and other stakeholders to allow comparability of period-to-period operating performance.

[7] Pre-tax margin represents income before taxes divided by net revenues. Wealth Management pre-tax margin excluding the integration-related expenses represents income before taxes less those expenses divided by net revenues. Wealth Management pre-tax margin excluding integration-related expenses is a non-GAAP financial measure that the Firm considers useful for analysts, investors and other stakeholders to allow comparability of period-to-period operating performance.

[8] Pre-tax income represents income before taxes.

[9] Wealth Management fee-based client assets represent the amount of assets in client accounts where the basis of payment for services is a fee calculated on those assets.

[10] Wealth Management fee-based asset flows include net new fee-based assets, net account transfers, dividends, interest, and client fees and exclude institutional cash management related activity.

[11] Wealth Management net new assets represents client inflows (including dividend and interest) less client outflows (excluding activity from business combinations/divestitures and impact of fees and commissions).

[12] AUM is defined as assets under management or supervision.

[13] Long-term net flows include the Equity, Fixed Income and Alternative/Other asset classes and exclude the Liquidity asset class.

[14] Transactional revenues include investment banking, trading, and commissions and fee revenues. Transactional revenues excluding the impact of mark-to-market gains on investments associated with employee deferred cash-based compensation plans is a non-GAAP financial measure that the Firm considers useful for analysts, investors and other stakeholders to allow comparability of period-to-period operating performance.

[15] Capital ratios are estimates as of the press release date, January 20, 2021.

[16] CET1 capital is defined as Common Equity Tier 1 capital. The Firm's risk-based capital ratios are computed under each of the (i) standardized approaches for calculating credit risk and market risk risk‐weighted assets (RWAs) (the "Standardized Approach") and (ii) applicable advanced approaches for calculating credit risk, market risk and operational risk RWAs (the "Advanced Approach"). For information on the calculation of regulatory capital and ratios, and associated regulatory requirements, please refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Regulatory Requirements" in the Firm's Form 10-Q for the period ended September 30, 2020 and in the Firm's 2019 Form 10‐K.

[17] The Tier 1 leverage ratio is a leverage-based capital requirement that measures the Firm's leverage. Tier 1 leverage ratio utilizes Tier 1 capital as the numerator and average adjusted assets as the denominator.

[18] SLR is defined as supplementary leverage ratio. The Firm's SLR utilizes a Tier 1 capital numerator of approximately $88.1 billion and $73.4 billion, and supplementary leverage exposure denominator of approximately $1.19 trillion and $1.16 trillion, for the fourth quarter of 2020 and 2019, respectively. Based on a Federal Reserve interim final rule in effect until March 31, 2021, our SLR and supplementary leverage exposure as of December 31, 2020 reflect the exclusion of U.S. Treasury securities and deposits at Federal Reserve Banks. The exclusion of these assets had the effect of increasing our SLR by 0.8% as of December 31, 2020.

Consolidated Income Statement Information
(unaudited, dollars in millions)

	Quarter Ended			Percentage Change From:		Twelve Months Ended		Percentage
	Dec 31, 2020	Sep 30, 2020	Dec 31, 2019	Sep 30, 2020	Dec 31, 2019	Dec 31, 2020	Dec 31, 2019	Change
Revenues:								
Investment banking	$ 2,435	$ 1,826	$ 1,696	33%	44%	$ 7,674	$ 6,163	25%
Trading	3,161	3,092	2,314	2%	37%	13,992	11,095	26%
Investments	327	346	739	(5%)	(56%)	986	1,540	(36%)
Commissions and fees	1,352	1,037	984	30%	37%	4,851	3,919	24%
Asset management	3,926	3,664	3,451	7%	14%	14,272	13,083	9%
Other	568	206	240	176%	137%	110	925	(88%)
Total non-interest revenues	11,769	10,171	9,424	16%	25%	41,885	36,725	14%
Interest income	2,245	2,056	3,952	9%	(43%)	10,162	17,098	(41%)
Interest expense	374	570	2,519	(34%)	(85%)	3,849	12,404	(69%)
Net interest	1,871	1,486	1,433	26%	31%	6,313	4,694	34%
Net revenues	13,640	11,657	10,857	17%	26%	48,198	41,419	16%
Non-interest expenses:								
Compensation and benefits	5,450	5,086	5,228	7%	4%	20,854	18,837	11%
Non-compensation expenses:								
Brokerage, clearing and exchange fees	776	697	633	11%	23%	2,929	2,493	17%
Information processing and communications	697	616	567	13%	23%	2,465	2,194	12%
Professional services	679	542	555	25%	22%	2,205	2,137	3%
Occupancy and equipment	456	373	375	22%	22%	1,559	1,428	9%
Marketing and business development	161	78	200	106%	(20%)	434	660	(34%)
Other	991	778	566	27%	75%	3,334	2,369	41%
Total non-compensation expenses	3,760	3,084	2,896	22%	30%	12,926	11,281	15%
Total non-interest expenses	9,210	8,170	8,124	13%	13%	33,780	30,118	12%
Income before provision for income taxes	4,430	3,487	2,733	27%	62%	14,418	11,301	28%
Provision for income taxes	1,018	736	428	38%	138%	3,239	2,064	57%
Net income	$ 3,412	$ 2,751	$ 2,305	24%	48%	$ 11,179	$ 9,237	21%
Net income applicable to nonredeemable noncontrolling interests	27	34	66	(21%)	(59%)	183	195	(6%)
Net income applicable to Morgan Stanley	3,385	2,717	2,239	25%	51%	10,996	9,042	22%
Preferred stock dividend	119	120	154	(1%)	(23%)	496	530	(6%)
Earnings applicable to Morgan Stanley common shareholders	$ 3,266	$ 2,597	$ 2,085	26%	57%	$ 10,500	$ 8,512	23%

The End Notes are an integral part of this presentation. Refer to the Financial Supplement on pages 12 - 17 for Definition of U.S. GAAP to Non-GAAP Measures, Definitions of Performance Metrics and Terms, Supplemental Quantitative Details and Calculations, and Legal Notice for additional information.

Consolidated Financial Metrics, Ratios and Statistical Data
(unaudited)

	Quarter Ended			Percentage Change From:		Twelve Months Ended		Percentage
	Dec 31, 2020	Sep 30, 2020	Dec 31, 2019	Sep 30, 2020	Dec 31, 2019	Dec 31, 2020	Dec 31, 2019	Change
Financial Metrics:								
Earnings per basic share	$ 1.84	$ 1.68	$ 1.33	10%	38%	$ 6.55	$ 5.26	25%
Earnings per diluted share	$ 1.81	$ 1.66	$ 1.30	9%	39%	$ 6.46	$ 5.19	24%
Return on average common equity	14.7%	13.2%	11.3%			13.1%	11.7%	
Return on average tangible common equity	17.7%	15.0%	13.0%			15.2%	13.4%	
Book value per common share	$ 51.13	$ 50.67	$ 45.82			$ 51.13	$ 45.82	
Tangible book value per common share	$ 41.95	$ 44.81	$ 40.01			$ 41.95	$ 40.01	
Excluding integration-related expenses								
Adjusted earnings per diluted share	$ 1.92	$ 1.66	$ 1.30	16%	48%	$ 6.58	$ 5.19	27%
Adjusted return on average common equity	15.6%	13.2%	11.3%			13.3%	11.7%	
Adjusted return on average tangible common equity	18.7%	15.0%	13.0%			15.4%	13.4%	
Financial Ratios:								
Pre-tax profit margin	32%	30%	25%			30%	27%	
Compensation and benefits as a % of net revenues	40%	44%	48%			43%	45%	
Non-compensation expenses as a % of net revenues	28%	26%	27%			27%	27%	
Firm expense efficiency ratio	68%	70%	75%			70%	73%	
Firm expense efficiency ratio excluding integration-related expenses	66%	70%	75%			70%	73%	
Effective tax rate	23.0%	21.1%	15.7%			22.5%	18.3%	
Statistical Data:								
Period end common shares outstanding (millions)	1,810	1,576	1,594	15%	14%			
Average common shares outstanding (millions)								
Basic	1,774	1,542	1,573	15%	13%	1,603	1,617	(1%)
Diluted	1,802	1,566	1,602	15%	12%	1,624	1,640	(1%)
Worldwide employees	68,097	63,051	60,431	8%	13%			

Notes:
- The Firm's fourth quarter results include $231 million of integration-related expenses on a pre-tax basis ($189 million after-tax) as a result of the E*TRADE acquisition. Total non-interest expenses include $151 million in compensation expense and $80 million in non-compensation expense.
- The End Notes are an integral part of this presentation. Refer to the Financial Supplement on pages 12 - 17 for Definition of U.S. GAAP to Non-GAAP Measures, Definitions of Performance Metrics and Terms, Supplemental Quantitative Details and Calculations, and Legal Notice for additional information.

End of Document

Exhibit 99.2

Morgan Stanley

Fourth Quarter 2020 Earnings Results

Quarterly Financial Supplement **Page**

The Firm's fourth quarter earnings results reflect the completed acquisition of E*TRADE Financial Corporation (E*TRADE), which closed on October 2, 2020. The comparisons of current and prior periods are impacted by the financial results of E*TRADE reported in the Wealth Management Segment.

Consolidated Financial Summary
(unaudited, dollars in millions)

	Quarter Ended			Percentage Change From:		Twelve Months Ended		Percentage
	Dec 31, 2020	Sep 30, 2020	Dec 31, 2019	Sep 30, 2020	Dec 31, 2019	Dec 31, 2020	Dec 31, 2019	Change
Net revenues								
Institutional Securities	$ 7,004	$ 6,062	$ 5,054	16%	39%	$ 25,948	$ 20,386	27%
Wealth Management	5,681	4,657	4,582	22%	24%	19,055	17,737	7%
Investment Management	1,100	1,056	1,356	4%	(19%)	3,734	3,763	(1%)
Intersegment Eliminations	(145)	(118)	(135)	(23%)	(7%)	(539)	(467)	(15%)
Net revenues	$ 13,640	$ 11,657	$ 10,857	17%	26%	$ 48,198	$ 41,419	16%
Non-interest expenses								
Institutional Securities	$ 3,844	$ 4,014	$ 3,929	(4%)	(2%)	$ 16,797	$ 14,896	13%
Wealth Management	4,611	3,537	3,419	30%	35%	14,668	12,905	14%
Investment Management	904	741	909	22%	(1%)	2,864	2,778	3%
Intersegment Eliminations	(149)	(122)	(133)	(22%)	(12%)	(549)	(461)	(19%)
Non-interest expenses (1)	$ 9,210	$ 8,170	$ 8,124	13%	13%	$ 33,780	$ 30,118	12%
Income before taxes								
Institutional Securities	$ 3,160	$ 2,048	$ 1,125	54%	181%	$ 9,151	$ 5,490	67%
Wealth Management	1,070	1,120	1,163	(4%)	(8%)	4,387	4,832	(9%)
Investment Management	196	315	447	(38%)	(56%)	870	985	(12%)
Intersegment Eliminations	4	4	(2)	--	*	10	(6)	*
Income before taxes	$ 4,430	$ 3,487	$ 2,733	27%	62%	$ 14,418	$ 11,301	28%
Net Income applicable to Morgan Stanley								
Institutional Securities	$ 2,422	$ 1,647	$ 1,034	47%	134%	$ 7,012	$ 4,599	52%
Wealth Management	802	842	889	(5%)	(10%)	3,361	3,728	(10%)
Investment Management	158	225	317	(30%)	(50%)	615	719	(14%)
Intersegment Eliminations	3	3	(1)	--	*	8	(4)	*
Net Income applicable to Morgan Stanley	$ 3,385	$ 2,717	$ 2,239	25%	51%	$ 10,996	$ 9,042	22%
Earnings applicable to Morgan Stanley common shareholders	$ 3,266	$ 2,597	$ 2,085	26%	57%	$ 10,500	$ 8,512	23%

The End Notes are an integral part of this presentation. See pages 12 - 17 for Definition of U.S. GAAP to Non-GAAP Measures, Definitions of Performance Metrics and Terms, Supplemental Quantitative Details and Calculations, and Legal Notice.

Consolidated Financial Metrics, Ratios and Statistical Data
(unaudited)

	Quarter Ended			Percentage Change From:		Twelve Months Ended		Percentage
	Dec 31, 2020	Sep 30, 2020	Dec 31, 2019	Sep 30, 2020	Dec 31, 2019	Dec 31, 2020	Dec 31, 2019	Change
Financial Metrics:								
Earnings per basic share	$ 1.84	$ 1.68	$ 1.33	10%	38%	$ 6.55	$ 5.26	25%
Earnings per diluted share	$ 1.81	$ 1.66	$ 1.30	9%	39%	$ 6.46	$ 5.19	24%
Return on average common equity	14.7%	13.2%	11.3%			13.1%	11.7%	
Return on average tangible common equity	17.7%	15.0%	13.0%			15.2%	13.4%	
Book value per common share	$ 51.13	$ 50.67	$ 45.82			$ 51.13	$ 45.82	
Tangible book value per common share	$ 41.95	$ 44.81	$ 40.01			$ 41.95	$ 40.01	
Excluding integration-related expenses (1)								
Adjusted earnings per diluted share	$ 1.92	$ 1.66	$ 1.30	16%	48%	$ 6.58	$ 5.19	27%
Adjusted return on average common equity	15.6%	13.2%	11.3%			13.3%	11.7%	
Adjusted return on average tangible common equity	18.7%	15.0%	13.0%			15.4%	13.4%	
Financial Ratios:								
Pre-tax profit margin	32%	30%	25%			30%	27%	
Compensation and benefits as a % of net revenues	40%	44%	48%			43%	45%	
Non-compensation expenses as a % of net revenues	28%	26%	27%			27%	27%	
Firm expense efficiency ratio	68%	70%	75%			70%	73%	
Firm expense efficiency ratio excluding integration-related expenses (1)	66%	70%	75%			70%	73%	
Effective tax rate	23.0%	21.1%	15.7%			22.5%	18.3%	
Statistical Data:								
Period end common shares outstanding (millions)	1,810	1,576	1,594	15%	14%			
Average common shares outstanding (millions)								
Basic	1,774	1,542	1,573	15%	13%	1,603	1,617	(1%)
Diluted	1,802	1,566	1,602	15%	12%	1,624	1,640	(1%)
Worldwide employees	68,097	63,051	60,431	8%	13%			

Notes:
- The Firm's fourth quarter results include $231 million of integration-related expenses on a pre-tax basis ($189 million after-tax) as a result of the E*TRADE acquisition. Total non-interest expenses include $151 million in compensation expense and $80 million in non-compensation expense.
- The End Notes are an integral part of this presentation. See pages 12 - 17 for Definition of U.S. GAAP to Non-GAAP Measures, Definitions of Performance Metrics and Terms, Supplemental Quantitative Details and Calculations, and Legal Notice.

Consolidated and U.S. Bank Supplemental Financial Information
(unaudited, dollars in millions)

	Quarter Ended			Percentage Change From:		Twelve Months Ended		Percentage
	Dec 31, 2020	Sep 30, 2020	Dec 31, 2019	Sep 30, 2020	Dec 31, 2019	Dec 31, 2020	Dec 31, 2019	Change
Consolidated Balance sheet								
Total assets	$ 1,115,862	$ 955,940	$ 895,429	17%	25%			
Loans (1)	$ 161,745	$ 154,570	$ 141,963	5%	14%			
Deposits	$ 310,782	$ 239,253	$ 190,356	30%	63%			
Liquidity Resources (2)	$ 338,623	$ 267,292	$ 215,868	27%	57%			
Long-term debt outstanding	$ 213,388	$ 198,891	$ 190,060	7%	12%			
Maturities of long-term debt outstanding (next 12 months)	$ 24,241	$ 20,247	$ 20,402	20%	19%			
Common equity	$ 92,531	$ 79,874	$ 73,029	16%	27%			
Less: Goodwill and intangible assets	(16,615)	(9,228)	(9,249)	80%	80%			
Tangible common equity	$ 75,916	$ 70,646	$ 63,780	7%	19%			
Preferred equity	$ 9,250	$ 8,520	$ 8,520	9%	9%			
U.S. Bank Supplemental Financial Information								
Total assets	$ 346,515	$ 266,221	$ 219,636	30%	58%			
Loans	$ 148,885	$ 140,639	$ 129,852	6%	15%			
Investment securities portfolio (3)	$ 142,929	$ 91,096	$ 68,472	57%	109%			
Deposits	$ 309,712	$ 238,025	$ 189,266	30%	64%			
Regional revenues								
Americas	$ 10,219	$ 8,387	$ 7,890	22%	30%	$ 35,017	$ 30,226	16%
EMEA (Europe, Middle East, Africa)	1,760	1,473	1,374	19%	28%	6,430	6,061	6%
Asia	1,661	1,797	1,593	(8%)	4%	6,751	5,132	32%
Consolidated net revenues	$ 13,640	$ 11,657	$ 10,857	17%	26%	$ 48,198	$ 41,419	16%

The End Notes are an integral part of this presentation. See pages 12 - 17 for Definition of U.S. GAAP to Non-GAAP Measures, Definitions of Performance Metrics and Terms, Supplemental Quantitative Details and Calculations, and Legal Notice.

Consolidated Average Common Equity and Regulatory Capital Information
(unaudited, dollars in billions)

	Quarter Ended			Percentage Change From:		Twelve Months Ended		Percentage
	Dec 31, 2020	Sep 30, 2020	Dec 31, 2019	Sep 30, 2020	Dec 31, 2019	Dec 31, 2020	Dec 31, 2019	Change
Average Common Equity								
Institutional Securities	$ 42.8	$ 42.8	$ 40.4	--	6%	$ 42.8	$ 40.4	6%
Wealth Management	26.5	18.2	18.2	46%	46%	20.8	18.2	14%
Investment Management	2.6	2.6	2.5	--	4%	2.6	2.5	4%
Parent	16.7	15.1	12.4	11%	35%	14.0	11.6	21%
Firm	$ 88.6	$ 78.7	$ 73.5	13%	21%	$ 80.2	$ 72.7	10%
Regulatory Capital								
Common Equity Tier 1 capital	$ 78.7	$ 71.2	$ 64.8	11%	21%			
Tier 1 capital	$ 88.1	$ 79.9	$ 73.4	10%	20%			
Standardized Approach								
Risk-weighted assets	$ 453.5	$ 408.9	$ 394.2	11%	15%			
Common Equity Tier 1 capital ratio	17.4%	17.4%	16.4%					
Tier 1 capital ratio	19.4%	19.5%	18.6%					
Advanced Approach								
Risk-weighted assets	$ 444.9	$ 420.1	$ 382.5	6%	16%			
Common Equity Tier 1 capital ratio	17.7%	16.9%	16.9%					
Tier 1 capital ratio	19.8%	19.0%	19.2%					
Leverage-based capital								
Tier 1 leverage ratio	8.4%	8.3%	8.3%					
Supplementary Leverage Ratio (1)	7.4%	7.4%	6.4%					

The End Notes are an integral part of this presentation. See pages 12 - 17 for Definition of U.S. GAAP to Non-GAAP Measures, Definitions of Performance Metrics and Terms, Supplemental Quantitative Details and Calculations, and Legal Notice.

Institutional Securities
Income Statement Information, Financial Metrics and Ratios
(unaudited, dollars in millions)

	Quarter Ended			Percentage Change From:		Twelve Months Ended		Percentage
	Dec 31, 2020	Sep 30, 2020	Dec 31, 2019	Sep 30, 2020	Dec 31, 2019	Dec 31, 2020	Dec 31, 2019	Change
Revenues:								
Advisory	$ 827	$ 357	$ 654	132%	26%	$ 2,008	$ 2,116	(5%)
Equity	1,000	874	422	14%	137%	3,092	1,708	81%
Fixed income	475	476	500	--	(5%)	2,104	1,910	10%
Underwriting	1,475	1,350	922	9%	60%	5,196	3,618	44%
Investment Banking	2,302	1,707	1,576	35%	46%	7,204	5,734	26%
Equity	2,498	2,262	1,920	10%	30%	9,801	8,056	22%
Fixed Income	1,664	1,924	1,273	(14%)	31%	8,824	5,546	59%
Other	58	(32)	1	*	*	167	93	80%
Sales and Trading	4,220	4,154	3,194	2%	32%	18,792	13,695	37%
Investments	68	87	68	(22%)	--	166	325	(49%)
Other	414	114	216	*	92%	(214)	632	*
Net revenues	7,004	6,062	5,054	16%	39%	25,948	20,386	27%
Compensation and benefits	1,575	2,001	2,057	(21%)	(23%)	8,342	7,433	12%
Non-compensation expenses	2,269	2,013	1,872	13%	21%	8,455	7,463	13%
Total non-interest expenses	3,844	4,014	3,929	(4%)	(2%)	16,797	14,896	13%
Income before taxes	3,160	2,048	1,125	54%	181%	9,151	5,490	67%
Net income applicable to Morgan Stanley	$ 2,422	$ 1,647	$ 1,034	47%	134%	$ 7,012	$ 4,599	52%
Pre-tax profit margin	45%	34%	22%			35%	27%	
Compensation and benefits as a % of net revenues	22%	33%	41%			32%	36%	
Non-compensation expenses as a % of net revenues	32%	33%	37%			33%	37%	
Return on Average Common Equity	22%	15%	9%			15%	10%	
Return on Average Tangible Common Equity [1]	22%	15%	9%			16%	10%	
Trading VaR (Average Daily 95% / One-Day VaR)	$ 55	$ 58	$ 39					

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Wealth Management
Income Statement Information, Financial Metrics and Ratios
(unaudited, dollars in millions)

	Quarter Ended			Percentage Change From:		Twelve Months Ended		Percentage
	Dec 31, 2020	Sep 30, 2020	Dec 31, 2019	Sep 30, 2020	Dec 31, 2019	Dec 31, 2020	Dec 31, 2019	Change
Revenues:								
Asset management	$ 2,975	$ 2,793	$ 2,655	7%	12%	$ 10,955	$ 10,199	7%
Transactional	1,340	880	829	52%	62%	3,694	2,969	24%
Net interest income	1,207	889	1,033	36%	17%	4,022	4,222	(5%)
Other	159	95	65	67%	145%	384	347	11%
Net revenues	5,681	4,657	4,582	22%	24%	19,055	17,737	7%
Compensation and benefits (1)	3,345	2,684	2,590	25%	29%	10,970	9,774	12%
Non-compensation expenses (1)	1,266	853	829	48%	53%	3,698	3,131	18%
Total non-interest expenses (1)	4,611	3,537	3,419	30%	35%	14,668	12,905	14%
Income before taxes (1)	1,070	1,120	1,163	(4%)	(8%)	4,387	4,832	(9%)
Net income applicable to Morgan Stanley	$ 802	$ 842	$ 889	(5%)	(10%)	$ 3,361	$ 3,728	(10%)
Pre-tax profit margin	19%	24%	25%			23%	27%	
Pre-tax profit margin excluding integration-related expenses	23%	24%	25%			24%	27%	
Compensation and benefits as a % of net revenues	59%	58%	57%			58%	55%	
Non-compensation expenses as a % of net revenues	22%	18%	18%			19%	18%	
Return on Average Common Equity	12%	18%	19%			16%	20%	
Return on Average Tangible Common Equity (2)	23%	31%	34%			29%	36%	

Notes:
- Wealth Management's fourth quarter results include $231 million of integration-related expenses on a pre-tax basis ($189 million after-tax) as a result of the E*TRADE acquisition. Total non-interest expenses include $151 million in compensation expense and $80 million in non-compensation expense.
- The End Notes are an integral part of this presentation. See pages 12 - 17 for Definition of U.S. GAAP to Non-GAAP Measures, Definitions of Performance Metrics and Terms, Supplemental Quantitative Details and Calculations, and Legal Notice.

Wealth Management
Financial Information and Statistical Data
(unaudited, dollars in billions)

	Quarter Ended			Percentage Change From:	
	Dec 31, 2020	Sep 30, 2020	Dec 31, 2019	Sep 30, 2020	Dec 31, 2019
Wealth Management Metrics					
Total client assets	$ 3,999	$ 2,852	$ 2,700	40%	48%
Net new assets	$ 66.1	$ 51.8	$ 27.1	28%	144%
U.S. Bank loans	$ 98.1	$ 91.3	$ 80.1	7%	22%
Margin and other lending (1)	$ 23.1	$ 9.1	$ 9.7	154%	138%
Deposits (2)	$ 306	$ 234	$ 187	31%	64%
Annualized average rate on deposits	0.24%	0.38%	0.91%		
Advisor-led channel					
Advisor-led client assets	$ 3,167	$ 2,759	$ 2,623	15%	21%
Fee-based client assets	$ 1,472	$ 1,333	$ 1,267	10%	16%
Fee-based asset flows	$ 24.1	$ 23.8	$ 24.9	1%	(3%)
Fee-based assets as a % of advisor-led client assets	46%	48%	48%		
Wealth Management representatives	15,950	15,469	15,468	3%	3%
Self-directed channel					
Self-directed assets	$ 832	$ 93	$ 77	*	*
Daily average revenue trades (000's)	1,106	6	3	*	*
Self-directed households (000's)	6,747	1,668	1,649	*	*
Workplace channel					
Workplace unvested assets	$ 435	$ 157	$ 133	177%	*
Number of participants (000's)	4,885	2,694	2,737	81%	78%

The End Notes are an integral part of this presentation. See pages 12 - 17 for Definition of U.S. GAAP to Non-GAAP Measures, Definitions of Performance Metrics and Terms, Supplemental Quantitative Details and Calculations, and Legal Notice.

Investment Management
Income Statement Information, Financial Metrics and Ratios
(unaudited, dollars in millions)

	Quarter Ended			Percentage Change From:		Twelve Months Ended		Percentage
	Dec 31, 2020	Sep 30, 2020	Dec 31, 2019	Sep 30, 2020	Dec 31, 2019	Dec 31, 2020	Dec 31, 2019	Change
Revenues:								
Asset management	$ 869	$ 795	$ 736	9%	18%	$ 3,013	$ 2,629	15%
Investments (1)	256	258	670	(1%)	(62%)	808	1,213	(33%)
Other	(25)	3	(50)	*	50%	(87)	(79)	(10%)
Net revenues	1,100	1,056	1,356	4%	(19%)	3,734	3,763	(1%)
Compensation and benefits	530	401	581	32%	(9%)	1,542	1,630	(5%)
Non-compensation expenses	374	340	328	10%	14%	1,322	1,148	15%
Total non-interest expenses	904	741	909	22%	(1%)	2,864	2,778	3%
Income before taxes	196	315	447	(38%)	(56%)	870	985	(12%)
Net income applicable to Morgan Stanley	$ 158	$ 225	$ 317	(30%)	(50%)	$ 615	$ 719	(14%)
Pre-tax profit margin	18%	30%	33%			23%	26%	
Compensation and benefits as a % of net revenues	48%	38%	43%			41%	43%	
Non-compensation expenses as a % of net revenues	34%	32%	24%			35%	31%	
Return on Average Common Equity	24%	34%	51%			23%	29%	
Return on Average Tangible Common Equity (2)	37%	53%	82%			36%	47%	

The End Notes are an integral part of this presentation. See pages 12 - 17 for Definition of U.S. GAAP to Non-GAAP Measures, Definitions of Performance Metrics and Terms, Supplemental Quantitative Details and Calculations, and Legal Notice.

Investment Management
Financial Information and Statistical Data
(unaudited, dollars in billions)

	Quarter Ended			Percentage Change From:		Twelve Months Ended		Percentage
	Dec 31, 2020	Sep 30, 2020	Dec 31, 2019	Sep 30, 2020	Dec 31, 2019	Dec 31, 2020	Dec 31, 2019	Change
Assets under management or supervision (AUM)								
Net flows by asset class (1)								
Equity	$ 12.2	$ 10.0	$ 2.4	22%	*	$ 32.8	$ 7.3	*
Fixed Income	(1.3)	3.1	3.4	*	*	7.5	5.8	29%
Alternative / Other	(2.4)	(2.7)	0.9	11%	*	0.7	2.3	(70%)
Long-Term Net Flows	8.5	10.4	6.7	(18%)	27%	41.0	15.4	166%
Liquidity	16.5	2.1	22.4	*	(26%)	89.9	28.7	*
Total net flows	$ 25.0	$ 12.5	$ 29.1	100%	(14%)	$ 130.9	$ 44.1	197%
Assets under management or supervision by asset class (2)								
Equity	$ 242	$ 202	$ 138	20%	75%			
Fixed Income	98	92	79	7%	24%			
Alternative / Other	153	150	139	2%	10%			
Long - Term Assets Under Management or Supervision	493	444	356	11%	38%			
Liquidity	288	271	196	6%	47%			
Total Assets Under Management or Supervision	$ 781	$ 715	$ 552	9%	41%			

The End Notes are an integral part of this presentation. See pages 12 - 17 for Definition of U.S. GAAP to Non-GAAP Measures, Definitions of Performance Metrics and Terms, Supplemental Quantitative Details and Calculations, and Legal Notice.

Consolidated Loans and Lending Commitments
(unaudited, dollars in billions)

	Quarter Ended			Percentage Change From:	
	Dec 31, 2020	Sep 30, 2020	Dec 31, 2019	Sep 30, 2020	Dec 31, 2019
Institutional Securities					
Loans:					
Corporate	$ 14.3	$ 15.8	$ 11.5	(9%)	24%
Secured lending facilities	29.5	30.3	29.6	(3%)	--
Commercial and residential real estate	11.1	9.6	13.1	16%	(15%)
Securities-based lending and other	8.3	7.0	7.4	19%	12%
Total Loans	63.2	62.7	61.6	1%	3%
Lending Commitments	113.5	105.5	106.9	8%	6%
Institutional Securities Loans and Lending Commitments	$ 176.7	$ 168.2	$ 168.5	5%	5%
Wealth Management					
Loans:					
Securities-based lending and other	$ 62.9	$ 57.7	$ 49.9	9%	26%
Residential real estate	35.2	33.6	30.2	5%	17%
Total Loans	98.1	91.3	80.1	7%	22%
Lending Commitments	14.4	14.6	13.1	(1%)	10%
Wealth Management Loans and Lending Commitments	$ 112.5	$ 105.9	$ 93.2	6%	21%
Consolidated Loans and Lending Commitments [1]	$ 289.2	$ 274.1	$ 261.7	6%	11%

The End Notes are an integral part of this presentation. See pages 12 - 17 for Definition of U.S. GAAP to Non-GAAP Measures, Definitions of Performance Metrics and Terms, Supplemental Quantitative Details and Calculations, and Legal Notice.

Consolidated Loans and Lending Commitments
Allowance for Credit Losses (ACL) as of December 31, 2020
(unaudited, dollars in millions)

	Loans and Lending Commitments (Gross)	ACL [1]	ACL %	Q4 Provision [2]
Loans:				
Held For Investment (HFI)				
Corporate	$ 6,046	$ 309	5.1%	$ (55)
Secured lending facilities	25,727	198	0.8%	5
Commercial and residential real estate	7,346	211	2.9%	24
Other	1,279	21	1.7%	(7)
Institutional Securities - HFI	$ 40,398	$ 739	1.8%	$ (33)
Wealth Management - HFI	98,215	96	0.1%	(9)
Held For Investment	$ 138,613	$ 835	0.6%	$ (42)
Held For Sale	12,801			
Fair Value	10,723			
Total Loans	162,137	835		(42)
Lending Commitments	127,855	396	0.3%	47
Consolidated Loans and Lending Commitments	$ 289,992	$ 1,231		$ 5

The End Notes are an integral part of this presentation. See pages 12 - 17 for Definition of U.S. GAAP to Non-GAAP Measures, Definitions of Performance Metrics and Terms, Supplemental Quantitative Details and Calculations, and Legal Notice.

Definition of U.S. GAAP to Non-GAAP Measures

(a) The Firm prepares its Consolidated Financial Statements using accounting principles generally accepted in the United States (U.S. GAAP). 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. The Securities and Exchange Commission 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 U.S. GAAP. Non-GAAP financial measures disclosed by Morgan Stanley are provided as additional information to analysts, investors and other stakeholders in order to provide them with greater transparency about, or an alternative method for assessing, our financial condition, operating results, or prospective regulatory capital requirements. These measures are not in accordance with, or a substitute for U.S. GAAP, and may be different from or inconsistent with non-GAAP financial measures used by other companies. Whenever we refer to a non-GAAP financial measure, we will also generally define it or present the most directly comparable financial measure calculated and presented in accordance with U.S. GAAP, along with a reconciliation of the differences between the non-GAAP financial measure we reference and such comparable U.S. GAAP financial measure. In addition to the following notes, please also refer to the Firm's Annual Report on Form 10-K for the year ended December 31, 2019.

(b) The following are considered non-GAAP financial measures that the Firm considers useful for analysts, investors and other stakeholders to allow comparability of operating performance and capital adequacy. These measures are calculated as follows:

- Earnings per diluted share excluding integration-related expenses represents net income applicable to Morgan Stanley, adjusted for the impact of the integration-related expenses associated with the acquisition of E*TRADE, less preferred dividends divided by the average number of diluted shares outstanding.
- The return on average tangible common equity represents annualized earnings applicable to Morgan Stanley common shareholders as a percentage of average tangible common equity.
- The return on average common equity and the return on average tangible common equity excluding integration-related expenses are adjusted in both the numerator and the denominator to exclude the integration-related expenses associated with the acquisition of E*TRADE.
- Segment return on average common equity and return on average tangible common equity represent full year net income or annualized net income for the quarter applicable to Morgan Stanley for each segment, less preferred dividend segment allocation, divided by average common equity and average tangible common equity for each respective segment. The segment adjustments to common equity to derive segment average tangible common equity are generally set at the beginning of the year, and will remain fixed throughout the year until the next annual reset unless a significant business change occurs (e.g., acquisition or disposition).
- Tangible common equity represents common equity less goodwill and intangible assets net of certain mortgage servicing rights deduction.
- Tangible book value per common share represents tangible common equity divided by period end common shares outstanding.
- Pre-tax profit margin excluding integration-related expenses represents income before income taxes less integration-related expenses associated with the acquisition of E*TRADE as percentages of net revenues.
- The Firm expense efficiency ratio excluding integration-related expenses represents total non‑interest expenses less integration-related expenses associated with the acquisition of E*TRADE as a percentage of net revenues.

Definitions of Performance Metrics and Terms

Our earnings releases, earnings conference calls, financial presentations and other communications may also include certain metrics which we believe to be useful to us, investors, analysts and other stakeholders by providing further transparency about, or an additional means of assessing, our financial condition and operating results.

Page 1:

(a) Net income applicable to Morgan Stanley represents net income, less net income applicable to nonredeemable noncontrolling interests.
(b) Earnings applicable to Morgan Stanley common shareholders represents net income applicable to Morgan Stanley, less preferred dividends.

Page 2:

(a) The return on average common equity represents annualized earnings applicable to Morgan Stanley common shareholders as a percentage of average common equity.
(b) Book value per common share represents common equity divided by period end common shares outstanding.
(c) Tangible book value per common share represents tangible common equity divided by period end common shares outstanding.
(d) Pre-tax profit margin percentages represent income before income taxes as percentages of net revenues.
(e) The Firm expense efficiency ratio represents total non - interest expenses as a percentage of net revenues.

Page 3:

(a) Liquidity Resources, which are held within the bank and non-bank operating subsidiaries, are comprised of high quality liquid assets (HQLA) and cash deposits with banks ("Liquidity Resources"). The total amount of Liquidity Resources is actively managed by us considering the following components: unsecured debt maturity profile; balance sheet size and composition; funding needs in a stressed environment, inclusive of contingent cash outflows; legal entity, regional and segment liquidity requirements; regulatory requirements; and collateral requirements.
(b) The Firm's goodwill and intangible balances utilized in the calculation of tangible common equity are net of certain mortgage servicing rights deduction.
(c) 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, E*TRADE Bank, and E*TRADE Savings Bank, and excludes balances between Bank subsidiaries, as well as deposits from the Parent and affiliates.
(d) 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, 2019 (2019 Form 10-K).

Page 4:

(a) The Firm's attribution of average common equity to the business segments is based on the Required Capital framework, an internal capital adequacy measure. This framework is a risk-based and leverage-based capital measure, which is compared with the Firm's regulatory capital to ensure that the Firm maintains an amount of going concern capital after absorbing potential losses from stress events, where applicable, at a point in time. The Required Capital Framework is based on the Firm's regulatory capital requirements. The Firm defines the difference between its total average common equity and the sum of the average common equity amounts allocated to its business segments as Parent common equity. The amount of capital allocated to the business segments is generally set at the beginning of the year, and will remain fixed throughout the year until the next annual reset unless a significant business change occurs (e.g., acquisition or disposition). We are planning to make updates to our Required Capital framework for 2021 to take into account changes to our risk-based capital requirements resulting from the stress capital buffer and we will continue to evaluate the framework with respect to the impact of other future regulatory requirements as appropriate. For further discussion of the framework, refer to "Quantitative and Qualitative Disclosures about Risk" in the Firm's Annual Report on Form 10-K for the year ended December 31, 2019.
(b) The Firm's risk-based capital ratios are computed under each of the (i) standardized approaches for calculating credit risk and market risk risk-weighted assets (RWAs) (the “Standardized Approach”) and (ii) applicable advanced approaches for calculating credit risk, market risk and operational risk RWAs (the “Advanced Approach”). For information on the calculation of regulatory capital and ratios, and associated regulatory requirements, please refer to "Management’s Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Regulatory Requirements" in the Firm’s Form 10-Q for the period ended September 30, 2020 and in the Firm's 2019 Form 10-K.
(c) Supplementary leverage ratio represents Tier 1 capital divided by the total supplementary leverage exposure.

Page 5:

(a) Institutional Securities Sales and Trading net revenues includes trading, net interest income (interest income less interest expense), asset management and commissions and fees revenues.
(b) Pre-tax profit margin percentages represent income before income taxes as percentages of net revenues.
(c) VaR represents the unrealized loss in portfolio value 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 "Quantitative and Qualitative Disclosures about Risk" included in the Firm's 2019 Form 10-K.

Definitions of Performance Metrics and Terms

Our earnings releases, earnings conference calls, financial presentations and other communications may also include certain metrics which we believe to be useful to us, investors, analysts and other stakeholders by providing further transparency about, or an additional means of assessing, our financial condition and operating results.

Page 6:

(a) Transactional revenues for the Wealth Management segment includes investment banking, trading, and commissions and fee revenues.
(b) Net interest income represents interest income less interest expense.
(c) Other revenues for the Wealth Management segment includes investments and other revenues.
(d) Pre-tax profit margin percentages represent income before income taxes as percentages of net revenues.

Page 7:

(a) Net new assets represents client inflows (including dividend and interest) less client outflows (excluding activity from business combinations/divestitures and impact of fees and commissions).
(b) Margin and other lending represents Wealth Management margin lending arrangements, which allow customers to borrow against the value of qualifying securities and Wealth Management other lending which includes non-purpose securities based lending on non-bank entities.
(c) Deposits reflects Wealth Management deposit liabilities sourced from both Wealth Management client deposits and external funding on the US Bank entities. Deposits include internal and external brokerage sweeps deposits programs, savings and other, and time deposits.
(d) Annualized average rate on deposits represents the weighted average cost of deposits as of periods ended December 31, 2020, September 30, 2020 and December 31, 2019.
(e) Advisor-led client assets represents client assets in accounts that have a Wealth Management representative assigned.
(f) Fee-based client assets represents the amount of assets in client accounts where the basis of payment for services is a fee calculated on those assets.
(g) Fee - based asset flows includes net new fee - based assets, net account transfers, dividends, interest, and client fees and exclude institutional cash management related activity.
(h) Self-directed assets represents active accounts which are not advisor led. Active accounts are defined as having $25 or more in assets.
(i) Daily average revenue trades (DARTs) represents the total client-directed trades in a period divided by the number of trading days during that period.
(j) Self-directed households represents the total number of households that include at least one account with self-directed assets. Individual households or participants that are engaged in one or more of our Wealth Management channels (Advisor-Led, Self-Directed, Workplace) will be included in each of the respective channel counts.
(k) Workplace unvested assets represents the market value at the end of the period. Workplace unvested assets represent the market value of public company securities at the end of the period.
(l) Workplace participants represents total accounts with vested or unvested assets >0 in the workplace channel. Individuals with accounts in multiple plans are counted as participants in each plan.

Page 8:

(a) Other revenues for the Investment Management segment includes investment banking, trading, net interest and other revenues.
(b) Pre-tax profit margin percentages represent income before income taxes as percentages of net revenues.

Page 9:

(a) Investment Management Alternative/Other asset class includes products in Fund of Funds, Real Estate, Private Equity and Credit strategies, as well as Multi-Asset portfolios.
(b) 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.
(c) Total assets under management or supervision excludes shares of minority stake assets which represent the Investment Management business segment's proportional share of assets managed by third-party asset managers in which we hold investments accounted for under the equity method.

Page 10 and 11:

(a) Corporate loans include relationship and event-driven loans and typically consist of revolving lines of credit, term loans and bridge loans.
(b) Secured lending facilities include loans provided to clients, which are primarily secured by loans, which are, in turn, collateralized by various assets including residential real estate, commercial real estate, corporate and financial assets.
(c) Securities-based lending and Other includes financing extended to sales and trading customers and corporate loans purchased in the secondary market.
(d) Institutional Securities Lending Commitments principally include Corporate lending activity.

Supplemental Quantitative Details and Calculations

Page 1:
(1) The Firm non-interest expenses by category are as follows:

	4Q20	3Q20	4Q19	4Q20 YTD	4Q19 YTD
Compensation and benefits	$ 5,450	$ 5,086	$ 5,228	$ 20,854	$ 18,837
Non-compensation expenses:					
Brokerage, clearing and exchange fees	776	697	633	2,929	2,493
Information processing and communications	697	616	567	2,465	2,194
Professional services	679	542	555	2,205	2,137
Occupancy and equipment	456	373	375	1,559	1,428
Marketing and business development	161	78	200	434	660
Other	991	778	566	3,334	2,369
Total non-compensation expenses	3,760	3,084	2,896	12,926	11,281
Total non-interest expenses	$ 9,210	$ 8,170	$ 8,124	$ 33,780	$ 30,118

Page 2:
(1) The fourth quarter and full year ended December 31, 2020 also included pre-tax integration-related expenses of $231 million ($189 million after-tax) associated with the acquisition of E*TRADE. The following sets forth the impact of the integration-related expenses to earnings per diluted share, return on average common equity and return on average tangible common equity (which are excluded):

	4Q20	4Q20 YTD
Earnings per diluted share - GAAP	$ 1.81	$ 6.46
Impact of adjustments	$ 0.11	$ 0.12
Earnings per diluted share excluding integration-related expenses - Non-GAAP	$ 1.92	$ 6.58
Return on average common equity - GAAP	14.7%	13.1%
Impact of adjustments	0.9%	0.2%
Return on average common equity excluding integration-related expenses - Non-GAAP	15.6%	13.3%
Return on average tangible common equity - GAAP	17.7%	15.2%
Impact of adjustments	1.0%	0.2%
Return on average tangible common equity excluding integration-related expenses - Non-GAAP	18.7%	15.4%
Firm expense efficiency ratio - GAAP	67.5%	70.1%
Impact of adjustments	(1.7)%	(0.5)%
Firm expense efficiency ratio excluding integration-related expenses - Non-GAAP	65.8%	69.6%

Page 3:
(1) Includes loans held for investment (net of allowance), loans held for sale and also includes loans at fair value which are included in Trading assets on the balance sheet.
(2) Beginning in the quarter ended March 31, 2020, the internal measure of liquidity was changed from Global Liquidity Reserve to Liquidity Resources to be more aligned with the current regulatory definition HQLA. December 31, 2019 has been recast.
(3) As of December 31, 2020, September 30, 2020 and December 31, 2019, the U.S. Bank investment securities portfolio included held to maturity investment securities of $52.6 billion, $28.2 billion and $26.1 billion, respectively.

Page 4:
(1) Based on a Federal Reserve interim final rule in effect until March 31, 2021, our supplementary leverage ratio (SLR) and supplementary leverage exposure, effective June 30, 2020, reflect the exclusion of U.S. Treasury securities and deposits at Federal Reserve Banks. The exclusion of these assets had the effect of increasing our SLR by 0.8% as of December 31, 2020.

Page 5:
(1) Institutional Securities average tangible common equity represents average common equity adjusted to exclude goodwill and intangible assets net of allowable mortgage servicing rights deduction. The adjustments are as follows: 4Q20: $484mm; 3Q20: $484mm; 4Q19: $536mm; 4Q20 YTD: $484mm; 4Q19 YTD: $536mm

Page 6:
(1) For the fourth quarter and full year ended December 31, 2020, integration-related compensation and non-compensation expenses associated with the acquisition of E*TRADE are as follows:

	4Q20
Compensation expenses	$ 151
Non-compensation expenses	80
Total non-interest expenses	$ 231
Income tax provision	42
Total non-interest expenses (after-tax)	$ 189

(2) Wealth Management average tangible common equity represents average common equity adjusted to exclude goodwill and intangible assets net of allowable mortgage servicing rights deduction. The adjustments are as follows: 4Q20: $13,440mm; 3Q20: $7,802mm; 4Q19: $8,088mm; 4Q20 YTD: $9,536mm; 4Q19 YTD: $8,088mm

Supplemental Quantitative Details and Calculations

Page 7:

(1) Wealth Management other lending includes $3 billion of non-purpose securities based lending on non-bank entities in each period ended December 31, 2020, September 30, 2020 and December 31, 2019.

(2) For the quarter ended December 31, 2020, Wealth Management deposits of $306 billion exclude off-balance sheet deposits of $25 billion held by third parties outside of Morgan Stanley.
Total deposits details are as follows:

		4Q20
Brokerage sweep deposits	$	232
Other deposits		74
Total balance sheet deposits		306
Off-balance sheet deposits		25
Total deposits	$	331

Page 8:

(1) Includes investment gains or losses for certain funds included in the Firm's consolidated financial statements for which the limited partnership interests in these gains or losses were reported in net income applicable to nonredeemable noncontrolling interests.

(2) Investment Management average tangible common equity represents average common equity adjusted to exclude goodwill and intangible assets net of allowable mortgage servicing rights deduction. The adjustments are as follows: 4Q20: $932mm; 3Q20: $932mm; 4Q19: $940mm; 4Q20 YTD: $932mm; 4Q19 YTD: $940mm

Page 9:

(1) Net Flows by region for the quarters ended December 31, 2020, September 30, 2020 and December 31, 2019 were:
North America: $21.4 billion, $(3.5) billion and $19.4 billion
International: $3.6 billion, $16.0 billion and $9.7 billion

(2) Assets under management or supervision by region for the quarters ended December 31, 2020, September 30, 2020 and December 31, 2019 were:
North America: $449 billion, $409 billion and $307 billion
International: $332 billion, $306 billion and $245 billion

Page 10:

(1) For the quarters ended December 31, 2020, September 30, 2020 and December 31, 2019, Investment Management reflected loan balances of $441 million, $569 million and $256 million, respectively, and lending commitments of $21 million for the quarter ended December 31, 2019, which are not included in the Consolidated Loans and Lending Commitments balance.

Page 11:

(1) For the quarter ended December 31, 2020, the Allowance Rollforward for Loans and Lending Commitments is as follows:

		Institutional Securities		Wealth Management		Total
Loans						
Allowance for Credit Losses (ACL)						
Beginning Balance - September 30, 2020	$	806	$	107	$	913
Net Charge Offs		(41)		(2)		(43)
Provision		(33)		(9)		(42)
Other		7		-		7
Ending Balance - December 31, 2020	$	739	$	96	$	835
Lending Commitments						
Allowance for Credit Losses (ACL)						
Beginning Balance - September 30, 2020	$	342	$	5	$	347
Net Charge Offs		-		-		-
Provision		47		-		47
Other		2		-		2
Ending Balance - December 31, 2020	$	391	$	5	$	396
Loans and Lending Commitments						
Allowance for Credit Losses (ACL)						
Beginning Balance - September 30, 2020	$	1,148	$	112	$	1,260
Net Charge Offs		(41)		(2)		(43)
Provision		14		(9)		5
Other		9		-		9
Ending Balance - December 31, 2020	$	1,130	$	101	$	1,231

(2) The provision for credit losses associated with loans held for investment is reported in other revenues while the provision for credit losses related to lending commitments is reported in other expenses.

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 fourth quarter earnings press release issued January 20, 2021.

End of Document

Exhibit 99.3

Morgan Stanley

Morgan Stanley at an Inflection Point: The Next Decade of Growth

James P. Gorman, Chairman and Chief Executive Officer

January 20, 2021

Notice

The presentation has been prepared solely for information purposes; it is not a solicitation of any offer to buy or sell any security or instrument, and has not been updated since it was originally presented.

This presentation may contain forward-looking statements including the attainment of certain financial and other targets, objectives and goals. You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they are made, which reflect management's current estimates, projections, expectations, assumptions, interpretations or beliefs and which are subject to risks and uncertainties that may cause actual results to differ materially. Morgan Stanley does not undertake any obligation to update any forward-looking statements.

For a discussion of additional risks and uncertainties that may affect the future results of Morgan Stanley, please see Morgan Stanley's most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and the additional risk factors in Morgan Stanley's Form 8-Ks filed on April 16, 2020 and October 2, 2020, respectively, which are available on Morgan Stanley's website www.morganstanley.com.

The presentation may also include certain non-GAAP financial measures. The reconciliation of such measures to the comparable GAAP figures is included in this presentation and in Morgan Stanley's most recent Annual Report on Form 10-K, Definitive Proxy Statement, Quarterly Reports on Form 10-Q and / or Current Reports on Form 8-K, as applicable, which are available on Morgan Stanley's website www.morganstanley.com.

The End Notes are an integral part of this presentation. See slides 19-26 at the back of this presentation for information related to the financial metrics and defined terms in this presentation.

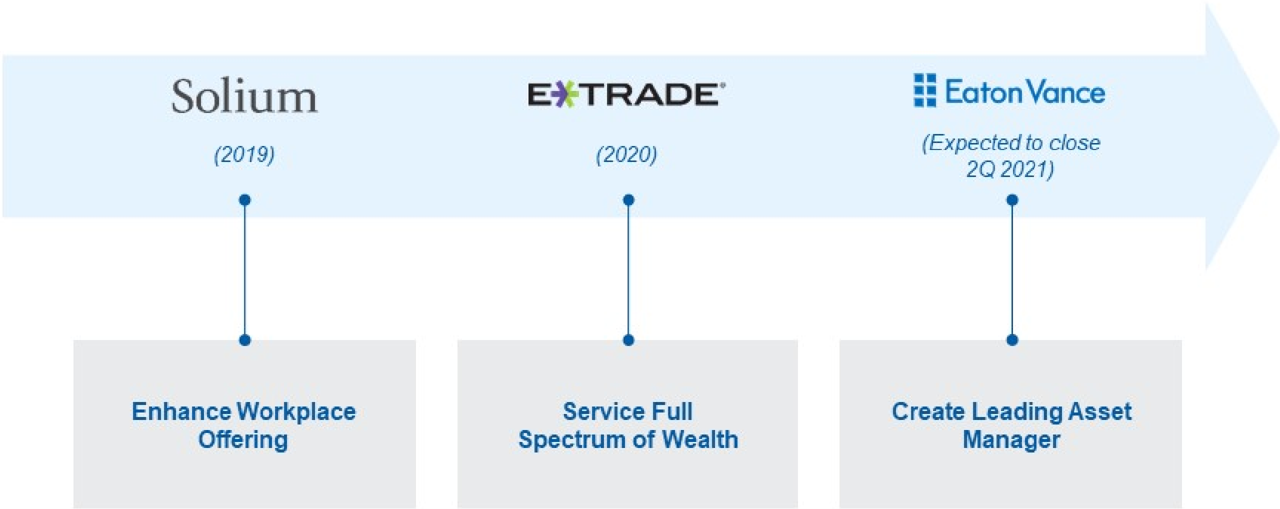
See also slide 27 for "Important Information about the Proposed Transaction with Eaton Vance and Where to Find It".

2020: Our Business Model Performed and Delivered Record Results

		2010 – 2014	2015 – 2019	2020
		Adjusted Year Ended December 31, 2014 (1)	Year Ended December 31, 2019	Year Ended December 31, 2020 (2)
Firm	Net Revenues	$34Bn	$41Bn	$48Bn
	Efficiency Ratio (3)	79%	73%	70%
	Net Income	$4.5Bn	$9.0Bn	$11.0Bn
	ROTCE (4)	7.5%	13.4%	15.4%
	EPS (5)	$2.13	$5.19	$6.58
	Common Equity Tier 1 Ratio (6)	10.9%	16.4%	17.4%

The End Notes are an integral part of this Presentation. See slides 19-26 at the back of this presentation for information related to the financial metrics and defined terms in this presentation

Opportunistic Acquisitions Accelerate Growth



Key Drivers of Growth

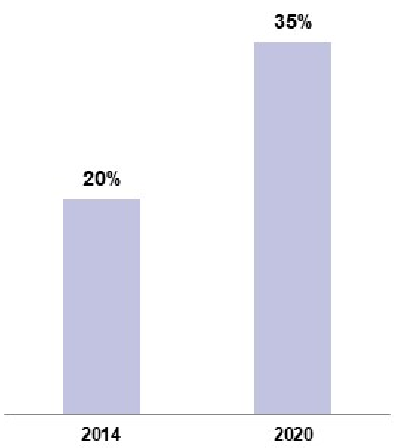
1. Gain Market Share
2. Expand Client Base and Deepen Relationships
3. Realize Acquisition Synergies
4. Demonstrate Operating Leverage
5. Return Excess Capital

The End Notes are an integral part of this Presentation. See slides 19-26 at the back of this presentation for information related to the financial metrics and defined terms in this presentation

1 Three Connected World-Class Businesses of Scale…

Institutional Securities

Pre-Tax Margin (%) [1]



$26Bn

2020 Net Revenues

Wealth Management

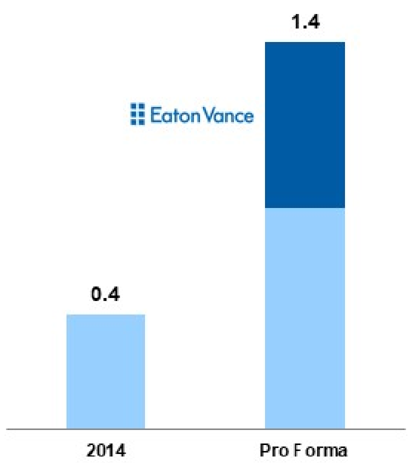
Clients Assets ($Tn)

$19Bn

2020 Net Revenues

Investment Management

Assets Under Management ($Tn) [2][3]



$4Bn

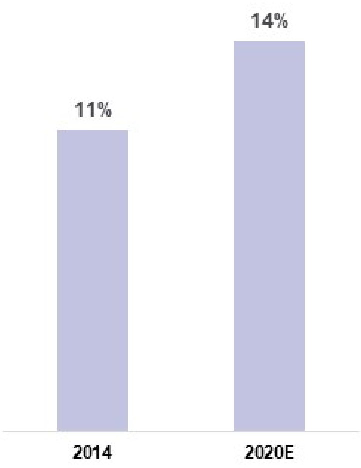
2020 Net Revenues [4]

The End Notes are an integral part of this Presentation. See slides 19-26 at the back of this presentation for information related to the financial metrics and defined terms in this presentation

1 …Continue to Gain Share

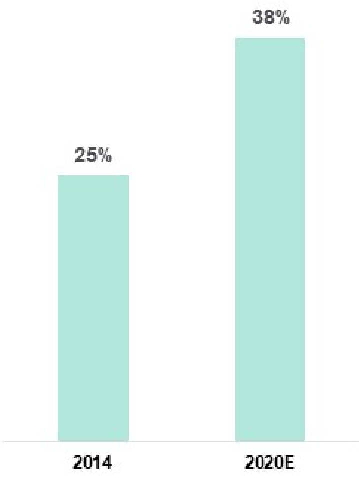
Revenue Capture Across ISG

Morgan Stanley ISG Wallet Share (%) [1][2][3]



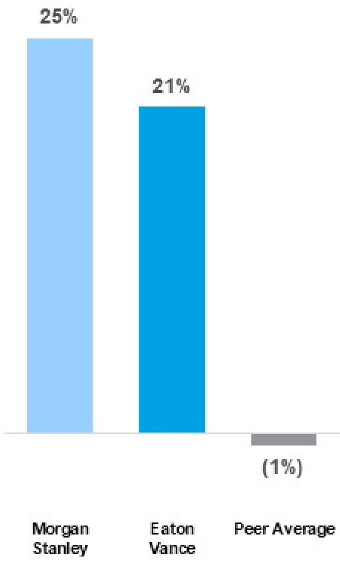
Increase Share of Profits Across Competitors in WM

Pre-Tax Profit Wallet Share (%) [4]



Industry Leading Organic Growth in IM

Long-Term Net Flows (%) [5][6]
(2017 – 3Q 2020)

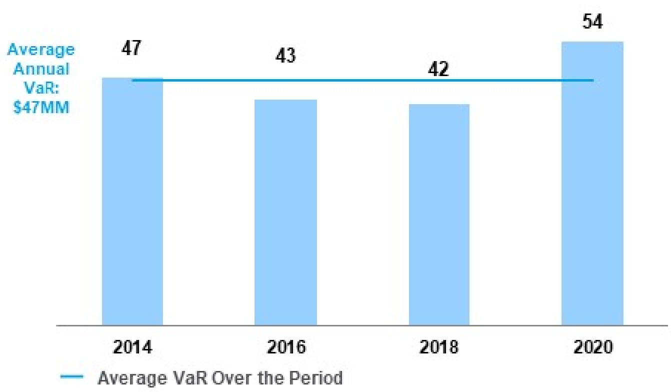


The End Notes are an integral part of this Presentation. See slides 19-26 at the back of this presentation for information related to the financial metrics and defined terms in this presentation

2 Institutional Securities: Increased Revenues and Profitability with Consistent Risk Management

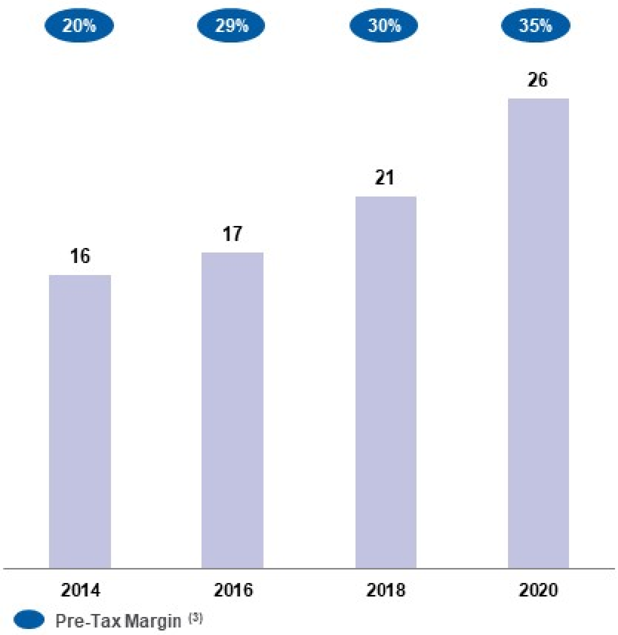
Disciplined Risk Management

Annual Avg. Trading VaR [1]
($MM)



Revenue Growth and Margin Expansion

ISG Net Revenues [2]
($Bn)



The End Notes are an integral part of this Presentation. See slides 19-26 at the back of this presentation for information related to the financial metrics and defined terms in this presentation

2 Wealth Management: Leadership Position in All Wealth Channels Drives New Asset and Client Acquisition

Advisor-Led [1][2]	Workplace [1][3]	Self-Directed [1][4]
#1	Top 2	Top 3
~2.5MM Households	4.9MM Number of Participants	6.7MM Households
$77Bn Fee-Based Asset Flows in 2020	15%+ Proceeds Retention Opportunity	$15Bn+ Assets Historically Lost to Channels with Advice Capabilities Annually

Further Opportunities to Capture ~$8Tn Assets Held Away [5]

The End Notes are an integral part of this Presentation. See slides 19-26 at the back of this presentation for information related to the financial metrics and defined terms in this presentation

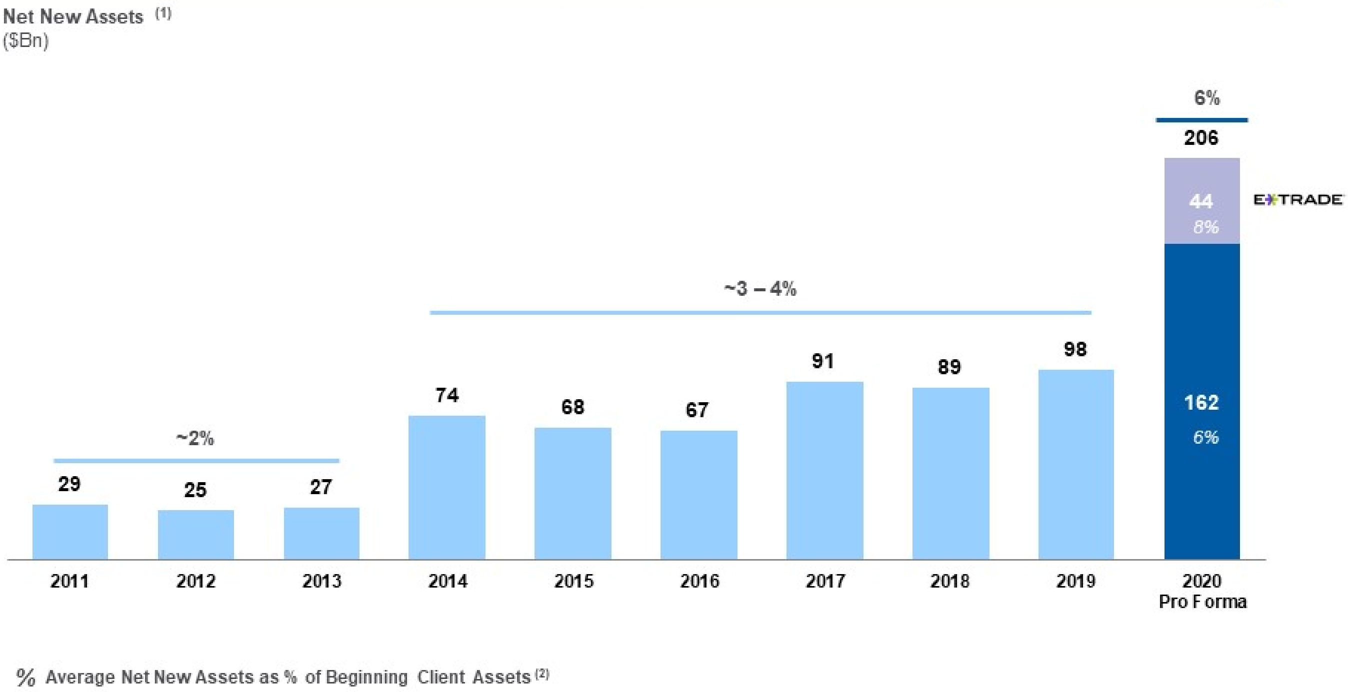
2 Wealth Management: E*TRADE Benefited from Dramatically Accelerated Digital Adoption

		Prior Record [(1)]	2020
E*TRADE	DARTs [(2)]	291K (2019)	952K
	Net New Assets [(3)]	$17Bn (2018)	$44Bn
	On/Off Balance Sheet Deposits [(4)]	$56Bn (2019)	$79Bn
	Stock Plan Proceeds Retention [(5)]	19% (2016)	28%

The End Notes are an integral part of this Presentation. See slides 19-26 at the back of this presentation for information related to the financial metrics and defined terms in this presentation

2 Wealth Management: Growth in Net New Assets Underscores Strong Client Engagement

Net New Assets Evolution



2 Wealth Management: Stable and High Quality Revenues

65% of Daily Revenues $70MM+

Daily Revenues [1]

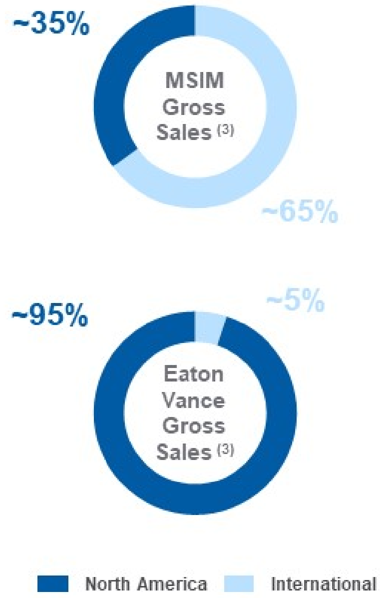
	2014	2016	2018	2020
>$70MM	2%	2%	33%	65%
$60MM - $70MM	30%	46%	59%	27%
<$60MM	68%	52%	8%	8%

The End Notes are an integral part of this Presentation. See slides 19-26 at the back of this presentation for information related to the financial metrics and defined terms in this presentation

2 Investment Management: Premier Global Asset Manager Delivers Value to Clients

Leadership in Customization, Sustainability, Private Alternatives, High-Conviction Equities and Value-Added Fixed Income

Global Partnerships Deepen Distribution Opportunities

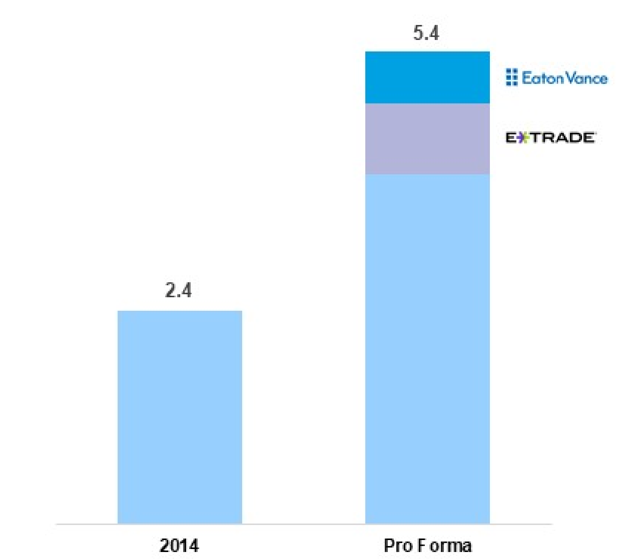


The End Notes are an integral part of this Presentation. See slides 19-26 at the back of this presentation for information related to the financial metrics and defined terms in this presentation

3 Unmatched Reach of Wealth and Investment Management Creates Growth and High Returns

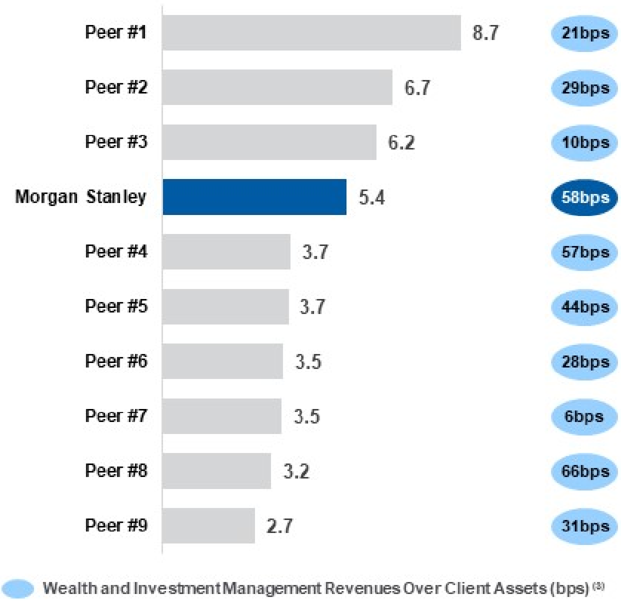
$5Tn+ of Client Assets

Wealth Management and Investment Management Client Assets ($Tn) (1)



Top 5 Franchise Providing Leading Advice to our Clients

Wealth Management and Investment Management Client Assets ($Tn) (2)



The End Notes are an integral part of this Presentation. See slides 19-26 at the back of this presentation for information related to the financial metrics and defined terms in this presentation

3 Realize Acquisition Synergies from E*TRADE and Eaton Vance

Cost and Funding Synergies

Cost Synergies [1]

- $400MM from E*TRADE
- $150MM from Eaton Vance

$550MM in Total Cost Synergies

Funding Synergies [2]

- $150MM from E*TRADE at announcement
- Increased to $250MM

Revenue Opportunities

E*TRADE

- **Establish Advice and Lending Relationships** with E*TRADE Clients
- **Leverage Leadership in Workplace** to Improve Stock Plan Proceeds Retention
- **Capture Self-Directed Assets** of Morgan Stanley Clients Held Away

Eaton Vance

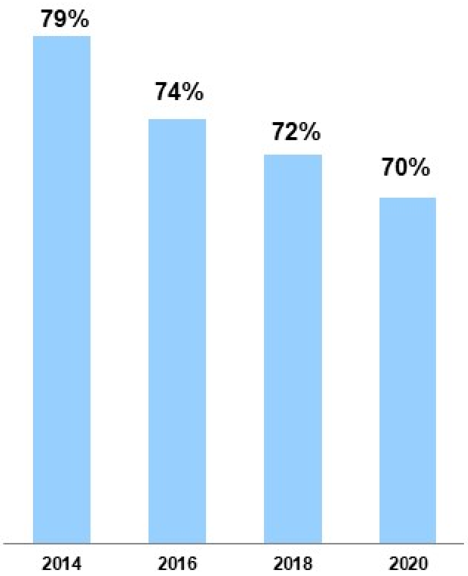
- **Deliver Customization and Sustainability at Scale**
- **Enhance Multi-Asset Solutions Offering**
- **Leverage Complementary International and U.S. Distribution**

The End Notes are an integral part of this Presentation. See slides 19-26 at the back of this presentation for information related to the financial metrics and defined terms in this presentation

4 Demonstrate Operating Leverage and Increase Profitability

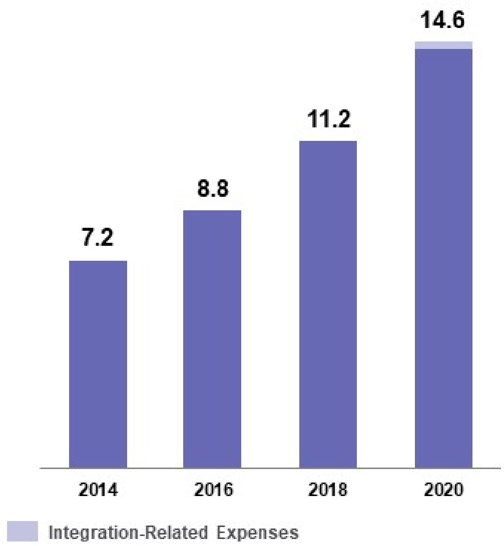
Improvement in Efficiency Ratio

Firm Expense Efficiency Ratio (%) (1)



Enhances Profit Expansion

Pre-Tax Profit ($Bn) (2)

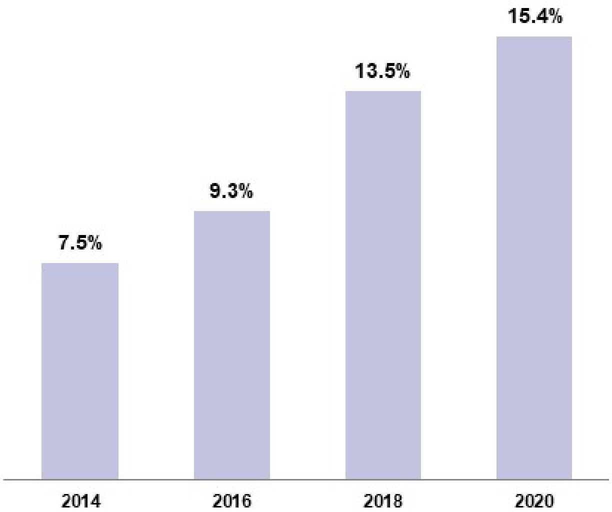


The End Notes are an integral part of this Presentation. See slides 19-26 at the back of this presentation for information related to the financial metrics and defined terms in this presentation

5 Well-Positioned to Return Excess Capital

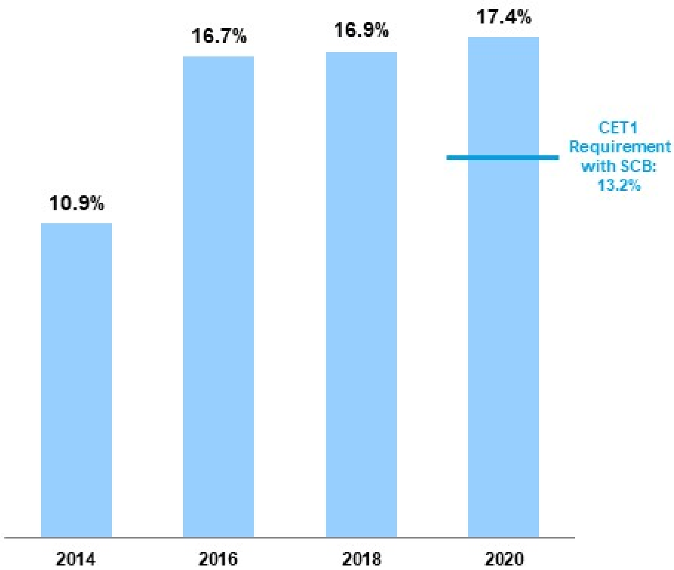
Delivered Robust Returns

ROTCE (%) [1]



Despite Excess Capital

Common Equity Tier 1 Ratio [2]



The End Notes are an integral part of this Presentation. See slides 19-26 at the back of this presentation for information related to the financial metrics and defined terms in this presentation

Execute on the Next Phase of Shareholder Value

	2-Year Objectives [1]	Longer-Term Aspirations [1]
WM Pre-Tax Margin [2]	26 – 30%	30%+
Firm Efficiency Ratio [3]	69 – 72%	<70%
ROTCE [4]	14 – 16%	17%+

The End Notes are an integral part of this Presentation. See slides 19-26 at the back of this presentation for information related to the financial metrics and defined terms in this presentation

End Notes

The Firm's financial presentations, earnings releases, earnings conference calls, and other communications may include certain metrics, including non-GAAP financial measures, which we believe to be useful to us, investors, analysts and other stakeholders by providing further transparency about, or an additional means of assessing, our financial condition and operating results. The End Notes are an integral part of our presentations and other communications. For additional information refer to the Definition of U.S. GAAP to Non-GAAP Measures, Definitions of Performance Metrics and Terms, Supplemental Quantitative Details and Calculations (includes reconciliation of GAAP to non-GAAP), and Legal Notice in the Morgan Stanley Fourth Quarter 2020 Financial Supplement included in the Current Report on Form 8-K dated January 20, 2021 ('**Morgan Stanley Fourth Quarter 2020 Financial Supplement**').

End Notes

These notes refer to the financial metrics and/or defined term presented on Slide 3

1. 2014 Adjusted Operating Performance Metrics:

- To provide a comparative view of 2014 operating performance, our full year reported results are adjusted below to exclude several significant intermittent items, which were highlighted in the Firm's 2014 Annual Report on Form 10-K for the year ended December 31, 2014 ("**2014 Form 10-K**"), as follows:
  - Litigation costs of approximately \$3.1 billion related to residential mortgage backed securities and other credit crisis-related matters ("**Credit Crisis Litigation**");
  - Net discrete tax benefits of approximately \$2.2 billion related to a legal entity restructuring, the remeasurement of reserves and related interest due to new information related to multi-year tax examinations and the repatriation of non-U.S. earnings at a lower cost than originally estimated ("**Discrete Tax Benefits**");
  - Compensation expense of approximately \$1.1 billion related to changes in the approach for awards of discretionary incentive compensation (i.e., reducing the average deferral of such awards to an approximate baseline of 50%) and the acceleration of vesting for certain outstanding deferred cash based incentive compensation awards ("**Discretionary Incentive Compensation Actions**"); and
  - The impact of Debt Valuation Adjustment ("**DVA**") of approximately \$651 million on Net revenues.
- These "**2014 Adjusted Operating Performance Metrics**" will be utilized in this presentation. Adjusting reported results to exclude the intermittent impacts of Credit Crisis Litigation, Discrete Tax Benefits, Discretionary Incentive Compensation Actions and DVA are non-GAAP financial measures.

	Twelve Months Ended Dec 31, 2014		
($MM)	**As Reported**	**Adjustments**	**Adjusted**
Net revenues [(a)]	34,275	(651)	33,624
Compensation expense [(b)]	17,824	(1,137)	16,687
Non-compensation expense [(c)]	12,860	(3,083)	9,777
Income from continuing operations before income taxes [(d)]	3,591	3,569	7,160
Net Income Applicable to Morgan Stanley [(e)]	3,467	1,042	4,509
Expense Efficiency Ratio [(f)]	**89.5%**	**(10.8%)**	**78.7%**
Earnings Per Share ($) [(g)]	**1.60**	**0.53**	**2.13**
Return on Tangible Common Equity [(h)]	**5.7%**	**1.8%**	**7.5%**

a) Net revenues adjustment to exclude the positive impact of DVA. DVA represents the change in fair value resulting from fluctuations in our debt credit spreads and other credit factors related to borrowings and other liabilities carried under the fair value option. The full amount of the Net revenues adjustment was recorded in the Institutional Securities ("**ISG**") segment.

b) Compensation expense adjustment to exclude the negative impact of the Discretionary Incentive Compensation Actions. The Discretionary Incentive Compensation Actions were recorded in the business segments as follows: ISG (\$904) million; Wealth Management ("**WM**") (\$88) million; and Investment Management ("**IM**") (\$145) million.

c) Non-compensation expense adjustment to exclude the negative impact of Credit Crisis Litigation. The full amount of the non-compensation adjustment was recorded in the ISG segment.

d) Income from continuing operations before income taxes ("**Pre-Tax Profit**") adjustment is the aggregation of the positive DVA adjustment and the negative Credit Crisis Litigation and Discretionary Incentive Compensation Actions adjustments, impacting the business segments as follows: ISG (\$3.3) billion, WM (\$88) million and Investment Management (\$145) million.

e) Net income applicable to Morgan Stanley ("**Net Income**") adjustment to exclude: the aggregate net after tax impacts of the positive DVA adjustment (\$418 million) and the negative Credit Crisis Litigation (\$2.9 billion) and Discretionary Incentive Compensation Actions (\$781 million) adjustments; and the positive Discrete Tax Benefits adjustment (\$2.2 billion).

f) Expense efficiency ratio ("**Efficiency Ratio**") adjustment to exclude the positive impact of DVA and the negative impacts of Credit Crisis Litigation and Discretionary Incentive Compensation Actions. Expense efficiency ratio represents total Non-interest expenses as a percentage of Net revenues.

g) Earnings per share ("**EPS**") adjustments to exclude: the aggregate net after tax, per share impacts of the positive DVA adjustment (\$0.21) and the negative Credit Crisis Litigation (\$1.47) and Discretionary Incentive Compensation Actions (\$0.40) adjustments; and the positive per share impacts of the Discrete Tax Benefits adjustment (\$1.13). The calculation of EPS uses Net income applicable to Morgan Stanley less preferred dividends (approximately \$315 million) divided by Average diluted common shares outstanding (1,971 million for 2014).

h) Return on tangible common equity ("**ROTCE**") adjustment to exclude: the aggregate net after tax impacts of the positive DVA adjustment and the negative Credit Crisis Litigation and Discretionary Incentive Compensation Actions adjustments; and the positive Discrete Tax Benefits adjustment. The calculation of ROTCE uses net income applicable to Morgan Stanley less preferred dividends (approximately \$315 million) as a percentage of Average tangible common equity. Tangible Common Equity ("**TCE**") equals common equity less goodwill and intangible assets, net of allowable mortgage servicing rights. Average TCE reported and adjusted was approximately \$55.5 billion and \$56.2 billion, respectively for 2014. Reported and adjusted ROTCE and TCE are non-GAAP financial measures.

End Notes

These notes refer to the financial metrics and/or defined term presented on Slide 3

2. The comparisons of current and prior periods are impacted by the financial results of E*TRADE reported in the Wealth Management Segment. The Firm's fourth quarter earnings results reflect the completed acquisition of E*TRADE Financial Corporation ('**E*TRADE**'), which closed on October 2, 2020.
3. Expense efficiency ratio ('**Efficiency Ratio**') represents total non-interest expenses as a percentage of net revenues. The 2020 Efficiency Ratio was adjusted to exclude the impact of integration-related expenses of $231 million on a pre-tax basis. The adjusted Efficiency Ratio is a non-GAAP financial measure.
4. Return on average tangible common equity ('**ROTCE**') represents earnings applicable to Morgan Stanley common shareholders as a percentage of average tangible common equity. The 2020 ROTCE was adjusted to exclude the impact of integration-related expenses of $231 million on a pre-tax basis or $189 million on an after-tax basis. The adjusted ROTCE is a non-GAAP financial measure.
5. Earnings Per Share (**'EPS'**) represents earnings applicable to Morgan Stanley common shareholders divided by diluted common shares outstanding. The 2020 EPS was adjusted to exclude the impact of integration-related expenses of $231 million on a pre-tax basis or $189 million on an after-tax basis. The adjusted EPS is a non-GAAP financial measure.
6. **Common Equity Tier 1** capital ratio is based on the Basel III Standardized Approach Fully Phased-in rules for all periods.

These notes refer to the financial metrics and/or defined term presented on Slide 6

1. **Pre-Tax Margin** for 2014 is adjusted to exclude the aggregation of the positive DVA adjustment and the negative Credit Crisis Litigation and Discretionary Incentive Compensation Actions adjustments, ($3.3 billion) (refer to note (1) for Slide 3). **Pre-Tax Margin** represents Pre-Tax Profit as a percentage of net revenues. The adjusted Pre-Tax Margin is a non-GAAP financial measure.
2. **Assets Under Management (AUM)** represents Morgan Stanley's Investment Management AUM.
3. **Pro Forma Assets Under Management** represents the addition of Morgan Stanley's Investment Management and Eaton Vance's assets under management. Morgan Stanley's Investment Management assets under management based on Morgan Stanley Fourth Quarter 2020 Financial Supplement. Eaton Vance's assets under management as of December 31, 2020 based on Eaton Vance's Press Release dated January 15, 2021 available on Eaton Vance's website ('**Eaton Vance's January 2021 Press Release**'). The Eaton Vance acquisition is still pending and subject to customary closing conditions.
4. **2020 Net Revenues** represents Morgan Stanley's Investment Management net revenues.

These notes refer to the financial metrics and/or defined term presented on Slide 7

1. **Wallet** represents aggregated reported net revenues of Morgan Stanley and the following peers: Bank of America, Barclays, Citigroup, Credit Suisse, Deutsche Bank, Goldman Sachs, JP Morgan, and UBS. Morgan Stanley's ISG wallet share represents total ISG segment net revenues. Peer wallet includes revenues that represent Investment Banking, Equity Sales & Trading and Fixed Income Sales & Trading, where applicable. For firms that disclose results between multiple segments, assumptions have been made based on company disclosures. Morgan Stanley's 2014 Wallet Share is calculated as the percentage of Morgan Stanley's net revenues, excluding DVA to the Wallet and has been restated to conform with current reporting methodology. Peer data for 2014 has been adjusted for DVA, where it is reported and where applicable.
2. European peer results were translated to USD using average exchange rates for the appropriate period; sourced from Bloomberg.
3. The 2020 Wallet estimates utilize results for peers that have reported full-year 2020 results as of January 19, 2021. For the European peers that have not yet reported, a 2020 full year results estimate is derived assuming the aggregate share of the Wallet for European peers for the first nine months remains constant in the fourth quarter of 2020.
4. **Pre-Tax Profit Wallet** represents Pre-Tax Profit of Morgan Stanley Wealth Management and the following peers: Bank of America Global Wealth and Investment Management, UBS Wealth Management Americas and Wells Fargo Wealth and Investment Management. Morgan Stanley's Wallet Share is calculated as the percentage of Morgan Stanley's Pre-Tax Profit to the Wallet. Morgan Stanley's Pre-Tax Profit for 2020 was adjusted to exclude the impact of integration-related expenses of $231 million on a pre-tax basis. The 2020 Wallet estimates utilize results for peers that have reported full-year 2020 results as of January 19, 2021. For the peers that have not yet reported, a 2020 full year results estimate is derived assuming the aggregate share of their Wallet for the first nine months remains constant in the fourth quarter of 2020.

End Notes

These notes refer to the financial metrics and/or defined term presented on Slide 7

5. **Long-Term Net Flows** represents cumulative long-term net flows over 15 quarters from calendar 1Q 2017 to 3Q 2020 as a percentage of beginning Assets Under Management for 2017 (as of calendar 4Q 2016) for Morgan Stanley and Peers, to reflect most recently available data for Peers over a consistent timeframe. For Eaton Vance, this represents cumulative long-term net flows over 15 fiscal quarters from fiscal 2Q 2017 to 4Q 2020 as a percentage of beginning Assets Under Management as of fiscal 1Q 2017. Cumulative long-term net flows as a percentage of beginning Assets Under Management for Morgan Stanley over 16 quarters through 4Q 2020 is 29%.
6. Peer Average includes AllianceBernstein, BlackRock (Active Only), DWS (Active Only), Franklin Templeton, Goldman Sachs Asset Management, Invesco (Active Only), Janus Henderson Group, JP Morgan Asset Management and T. Rowe Price. These represent Morgan Stanley Investment Management and Eaton Vance's peers based on similarity of business models and Assets Under Management. In addition, all notable acquisitions have been removed from net flows.

These notes refer to the financial metrics and/or defined term presented on Slide 8

1. **VaR** estimates a portfolio's aggregate market risk exposure, representing the unrealized loss in portfolio value that one would not expect to exceed, on average, more than five times every one hundred trading days if the portfolio was held constant for a one-day period. Since reported VaR statistics are estimates based on historical data, VaR should not be viewed as predictive of our future revenues or financial performance or our ability to monitor and manage risk. There can be no assurance that our actual losses on a particular day will not exceed the VaR amounts indicated. VaR statistics are not readily comparable across firms because of differences in the firm's portfolios, modeling assumptions and methodologies. These differences can result in materially different estimates across firms for similar products. For a discussion of our primary risk exposures and market risk management, VaR methodology, assumptions and limitations, see "Quantitative and Qualitative Disclosure about Risk – Market Risk – Trading Risks in Firm's 2019 Annual Report on Form 10-K for the year ended December 31, 2019.
2. **ISG Net Revenues** for 2014 exclude the positive impact of approximately $651 million from DVA. (refer to note (1) for Slide 3). The adjusted Net Revenues is a non-GAAP financial measure.
3. **Pre-Tax Margin** for 2014 exclude the aggregation of the positive DVA adjustment and the negative Credit Crisis Litigation and Discretionary Incentive Compensation Actions adjustments, ($3.3 billion) (refer to note (1) for Slide 3). The adjusted Pre-Tax Margin is a non-GAAP financial measure.

End Notes

These notes refer to the financial metrics and/or defined term presented on Slide 9

1. Individual households or participants that are engaged in one or more of our Wealth Management channels (Advisor-Led, Self-Directed, Workplace) will be included in each of the respective channel counts.
2. **Position in Advisor-Led** represents client assets based on internal analysis aggregated for Bank of America Merrill Lynch Global Wealth Management, UBS Wealth Management Americas and Wells Fargo Wealth and Investment Management per company filings as of most recently reported results. For Morgan Stanley, **Advisor-Led Client Assets** represents client assets in accounts that have a Wealth Management representative assigned.
   Advisor-Led Households represents the total number of households that include at least one account with Advisor-Led Clients Assets and is based on Morgan Stanley internal data as of December 31, 2020. Figures are adjusted for overlapping Advisor-Led Households between Morgan Stanley subsidiaries.
   Fee-Based Asset Flows includes net new fee-based assets, net account transfers, dividends, interest, and client fees and excludes institutional cash management related activity.
3. **Workplace Rank Position** derived from Morgan Stanley internal analysis based on number of stock plan participants informed by latest available data for Bank of America, Carta, Certent, Charles Schwab, Computershare, Fidelity, and UBS.
   Workplace Participants represents total accounts with vested or unvested assets >$0 in the Workplace channel. Individuals with accounts in multiple plans are counted as participants in each plan.
   Proceeds Retention Opportunity represents the potential percentage of domestic proceeds that could be retained 12 months post exercise.
4. **Position in Self-Directed** derived from Aite Group "New Realities in Wealth Management: Growth Amplifies Prior to the Storm" report (December 2020). Peers include Fidelity, Charles Schwab / TD Ameritrade, Merrill Edge and others.
   Self-Directed Households represents the total number of households that include at least one account with **Self-Directed Assets**. Self-Directed Assets represents active accounts which are not Advisor-Led. Active accounts are defined as having $25 or more in assets.
   Assets Lost to Channels with Advice represent assets lost to channels with advice capabilities based on data from Automated Customer Account Transfer Services.
5. **Assets Held Away** is estimated using data from IXI as of June 2020 for retail clients and stock plan participants.

These notes refer to the financial metrics and/or defined term presented on Slide 10

1. **Prior Record** represents the previous record for a full year or at year-end.
2. **Daily Average Revenue Trades (DARTs)** represents the total client-directed trades in a period divided by the number of trading days during that period.
3. **Net New Assets (NNA)** represents client inflows (including dividend and interest) less client outflows (excluding activity from business combinations/divestitures and impact of fees and commissions), and has been adjusted to conform to Morgan Stanley's methodology.
4. **On/Off Balance Sheet Deposits** represents E*TRADE's deposit liabilities including both client deposits (brokerage sweep and other) and off-balance sheet deposits held by third parties outside of Morgan Stanley.
5. **Stock Plan Proceeds Retention** represents the percentage of domestic proceeds retained 12 months post exercise. Prior record based on proceeds retention at year-end.

End Notes

These notes refer to the financial metrics and/or defined term presented on Slide 11

1. **Net New Assets** represents client inflows (including dividend and interest) less client outflows (excluding activity from business combinations/divestitures and impact of fees and commissions).
2. **Average Net New Assets as % of Beginning Client Assets** represents an average of Morgan Stanley's Net New Assets divided by beginning client assets for each period. **2020 Pro Forma** represents the addition of Net New Assets for Morgan Stanley and E*TRADE for Full Year 2020 divided by the addition of beginning client assets for Morgan Stanley and E*TRADE for Full Year 2020. E*TRADE's beginning client assets represents total customer assets, excluding corporate services unvested holdings based on E*TRADE's Annual Report on Form 10-K for the year ended December 31, 2019.

These notes refer to the financial metrics and/or defined term presented on Slide 12

1. The daily revenue distribution reflects net revenues for the WM segment attributed as follows: Transactional revenues on the day the revenue was recorded; and Asset Management, Net Interest and Other revenues based on the a daily average, where the reported revenue for the period is divided by the number of business days in the period.

These notes refer to the financial metrics and/or defined term presented on Slide 13

1. **Pro Forma Assets Under Management** represents the addition of Morgan Stanley's Investment Management and Eaton Vance's assets under management. Morgan Stanley's Investment Management assets under management based on Morgan Stanley Fourth Quarter 2020 Financial Supplement. Eaton Vance's assets under management based on Eaton Vance's January 2021 Press Release. The Eaton Vance acquisition is still pending and subject to customary closing conditions.
2. For Morgan Stanley "**Private and Public Alpha**" includes public equity strategies reported under the "Equity" category and real assets, private equity, private credit and private equity fund of funds reported under the "Alternative/Other" category as of December 31, 2020 in the Morgan Stanley Fourth Quarter 2020 Financial Supplement. For Eaton Vance "**Private and Public Alpha**" includes strategies reported under the "Equity" category and the "Alternative" category as of December 31, 2020 in Eaton Vance's January 2021 Press Release. For Morgan Stanley "**Solutions**" includes multi-asset portfolio strategies and hedge fund of funds reported under the "Alternative/Other" category as of December 31, 2020 in the Morgan Stanley Fourth Quarter 2020 Financial Supplement. For Eaton Vance "**Solutions**" includes strategies reported under the "Parametric custom portfolios" and "Parametric overlay services" categories as of December 31, 2020 in Eaton Vance's January 2021 Press Release. For Morgan Stanley "**Fixed Income & Liquidity**" includes strategies reported under the "Fixed income" and "Liquidity" categories as of December 31, 2020 in the Morgan Stanley Fourth Quarter 2020 Financial Supplement. For Eaton Vance "**Fixed Income & Liquidity**" includes strategies reported under the "Fixed income" and "Floating-rate income" categories as of December 31, 2020 in Eaton Vance's January 2021 Press Release.
3. **Gross Sales** represents gross sales from long-term asset classes for full year 2020 period from January 1 through December 31, 2020 for Morgan Stanley and full year 2020 fiscal period from November 1, 2019 through October 31, 2020 for Eaton Vance.

End Notes

These notes refer to the financial metrics and/or defined term presented on Slide 14

1. **Wealth Management and Investment Management Client Assets** represents Wealth Management client assets and Investment Management assets under management based on the 2014 Form 10-K and the Morgan Stanley Fourth Quarter 2020 Financial Supplement.
   Pro Forma Client Assets represents the addition of Morgan Stanley's client assets and Eaton Vance's client assets. Eaton Vance's client assets based on Eaton Vance's January 2021 Press Release and represent total assets under management.
2. **Client Assets Ranking** based on internal analysis of combined Investment and Wealth Management client assets and assets under management with data aggregated from public filings for Allianz, Bank of America, BlackRock, Charles Schwab / Ameritrade, Fidelity, JP Morgan, State Street, UBS and Vanguard. Rankings based on the most recently available data for combined Investment Management and Wealth Management client assets and assets under management. Most recently available data represents 4Q 2020 for peers that have reported results as of January 19, 2021 (Bank of America, BlackRock, Charles Schwab / Ameritrade, JP Morgan and State Street), 3Q 2020 for peers that have not reported yet (Allianz, Fidelity and UBS) and data as of January 2020 for Vanguard. Rankings exclude assets under custody and assets under administration. Morgan Stanley's position in the rankings based on Pro Forma Client Assets.
3. **Wealth and Investment Management Revenues Over Client Assets** based on internal analysis and represents Net Revenues divided by average client assets. For peers that have reported results as of January 19, 2021, Net Revenues represent full-year 2020 results for the combination of Wealth Management and Investment Management and average client assets represents an average of five most recent quarters. For peers that have not reported yet, except for Fidelity and Vanguard, Net Revenues are based on 2020 revenue estimates derived by annualizing revenues for the first nine months of 2020, divided by average client assets for an average of four most recent quarters. For Fidelity, Net Revenues represent 2019 total company revenues and average client assets represent an average of 2018 and 2019 total assets under administration. For Vanguard, Revenues Over Client Assets represents the average expense ratio (U.S. asset-weighted fund expenses as a percentage of 2019 average net assets) available on its website. Net Revenues for Morgan Stanley represent the addition of Morgan Stanley's Wealth Management and Investment Management Net Revenues for full-year 2020, E*TRADE's Net Revenues for first nine months of 2020 and Eaton Vance's fiscal 2020 Net Revenues. Morgan Stanley's Wealth Management and Investment Management Net Revenues represent the aggregation of both segments' net revenues and exclude intersegment activity. Morgan Stanley net revenues based on the Morgan Stanley Fourth Quarter 2020 Financial Supplement. Eaton Vance's Net Revenues represent total revenue and total non-operating income based on Eaton Vance's Annual Report on Form 10-K for the fiscal year ended October 31, 2020. E*TRADE's 1Q and 2Q 2020 Net revenues represent Total Net Revenues based on E*TRADE's Quarterly Report on Form10-Q for the quarter ended June 30, 2020. Client assets used in the calculation for Morgan Stanley include E*TRADE and Eaton Vance for 2019 and 2020 fiscal quarters based on relevant Form 10-Q and Form 10-K filings.

These notes refer to the financial metrics and/or defined term presented on Slide 15

1. **Cost Synergies** are Morgan Stanley estimates and are expected to be phased in from the closing dates of the E*TRADE and Eaton Vance acquisitions.
2. **Funding Synergies** are Morgan Stanley estimates and are expected to be phased in from the closing date of the E*TRADE acquisition.

These notes refer to the financial metrics and/or defined term presented on Slide 16

1. Expense efficiency ratio ('**Efficiency Ratio**') represents total non-interest expenses as a percentage of net revenues. The 2020 Efficiency Ratio was adjusted to exclude the impact of integration-related expenses of $231 million on a pre-tax basis. The 2014 Efficiency Ratio was adjusted to exclude the positive impact of DVA and the negative impacts of Credit Crisis Litigation and Discretionary Incentive Compensation Actions (refer to note (1) for Slide 3). The adjusted Efficiency Ratio is a non-GAAP financial measure.
2. **Pre-Tax Profit** for 2020 was adjusted to exclude the impact of integration-related expenses of $231 million on a pre-tax basis. Pre-Tax Profit for 2020 including integration-related expenses was $14.4Bn. 2014 is adjusted to exclude the positive impact of DVA and the negative impacts of Credit Crisis Litigation and Discretionary Incentive Compensation Actions (refer to note (1) for Slide 3). The adjusted Pre-Tax Profit is a non-GAAP financial measure.

End Notes

These notes refer to the financial metrics and/or defined term presented on Slide 17

1. The calculation of **ROTCE** for each year utilizes net income applicable to Morgan Stanley less preferred dividends as a percentage of average tangible common equity, respectively. Average tangible common equity represents average common equity adjusted to exclude goodwill and intangible assets net of allowable mortgage servicing rights deduction. The calculation for 2020 ROTCE was adjusted to exclude the impact of integration-related expenses of $231 million on a pre-tax basis or $189 million on an after-tax basis. The 2014 ROTCE was adjusted to exclude the positive impact of DVA and the negative impacts of Credit Crisis Litigation and Discretionary Incentive Compensation Actions (refer to note (1) for Slide 3).The adjusted ROTCE is a non-GAAP financial measure.
2. **Common Equity Tier 1** capital ratio is based on the Basel III Standardized Approach Fully Phased-in rules for all periods.

These notes refer to the financial metrics and/or defined term presented on Slide 18

1. Firm's 2-Year Objectives and Longer-Term Aspirations include Eaton Vance. The Eaton Vance acquisition is still pending and subject to customary closing conditions.
2. **Pre-Tax Margin** represents income (loss) from continuing operations before taxes divided by net revenues. The Pre-Tax Margin 2-Year Objective of 26% to 30% and Longer-Term Aspiration of 30%+ exclude integration-related expenses. The adjusted Pre-Tax Margin is a non-GAAP financial measure.
3. **Efficiency Ratio** represents total non-interest expenses as a percentage of net revenues. The Efficiency Ratio 2-Year Objective of 69% to 72% and Longer-Term Aspiration of <70% exclude integration-related expenses. The adjusted Efficiency Ratio is a non-GAAP financial measure.
4. The calculation of **ROTCE** uses net income applicable to Morgan Stanley less preferred dividends as a percentage of average tangible common equity. Tangible common equity ('TCE') represents common equity less goodwill and intangible assets net of allowable mortgage servicing rights. The ROTCE 2-Year Objective of 14% to 16% and Longer-Term Aspiration of 17%+ exclude integration-related expenses. The adjusted ROTCE is a non-GAAP financial measure.

Notice

Important Information about the Proposed Transaction with Eaton Vance and Where to Find It
In connection with the proposed transaction between Morgan Stanley and Eaton Vance Corp. ("Eaton Vance"), Morgan Stanley and Eaton Vance will file relevant materials with the Securities and Exchange Commission (the "SEC"), including the Morgan Stanley registration statement on Form S-4 filed on December 4, 2020, including amendments thereto, that includes a prospectus of Morgan Stanley. BEFORE MAKING ANY VOTING OR INVESTMENT DECISION, INVESTORS AND SECURITY HOLDERS OF MORGAN STANLEY AND EATON VANCE ARE URGED TO READ THE REGISTRATION STATEMENT AND ANY OTHER RELEVANT DOCUMENTS THAT ARE FILED OR WILL BE FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THESE DOCUMENTS, CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION AND RELATED MATTERS. Investors and security holders may obtain free copies of the registration statement, as well as other filings containing information about Morgan Stanley or Eaton Vance, without charge at the SEC's Internet website (http://www.sec.gov) or by contacting the investor relations department of Morgan Stanley or Eaton Vance at the following:

Morgan Stanley
1585 Broadway
New York, NY 10036
Media Relations: 212-761-2448
mediainquiries@morganstanley.com
Investor Relations: 1-212-762-8131
investorrelations@morganstanley.com

Eaton Vance
Two International Place
Boston, MA 02110
Media Relations: 617-672-8940
rtice@eatonvance.com
Investor Relations: 617-672-6744
esenay@eatonvance.com

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Notice

Forward-Looking Statements

This presentation contains "forward-looking statements" within the meaning of the federal securities laws, including Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. In this context, forward-looking statements often address expected future business and financial performance and financial condition, and often contain words such as "expect," "anticipate," "intend," "plan," "believe," "seek," "see," "will," "would," "target," similar expressions, and variations or negatives of these words. Forward-looking statements by their nature address matters that are, to different degrees, uncertain, such as statements about the consummation of the proposed transaction and the anticipated benefits thereof. All such forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed in such forward-looking statements. Important risk factors that may cause such a difference include, but are not limited to, (i) the completion of the proposed transaction on anticipated terms and timing, including obtaining required regulatory approvals, anticipated tax treatment, unforeseen liabilities, future capital expenditures, revenues, expenses, earnings, synergies, economic performance, indebtedness, financial condition, losses, future prospects, business and management strategies for the management, expansion and growth of the combined company's operations and other conditions to the completion of the acquisition, including the possibility that any of the anticipated benefits of the proposed transaction will not be realized or will not be realized within the expected time period, (ii) the ability of Morgan Stanley and Eaton Vance to integrate the business successfully and to achieve anticipated synergies, risks and costs, (iii) potential litigation relating to the proposed transaction that could be instituted against Morgan Stanley, Eaton Vance or their respective directors, (iv) the risk that disruptions from the proposed transaction will harm Morgan Stanley's and Eaton Vance's business, including current plans and operations, (v) the ability of Morgan Stanley or Eaton Vance to retain and hire key personnel, (vi) potential adverse reactions or changes to business relationships resulting from the announcement or completion of the acquisition, (vii) continued availability of capital and financing and rating agency actions, (viii) legislative, regulatory and economic developments, (ix) potential business uncertainty, including changes to existing business relationships, during the pendency of the acquisition that could affect Morgan Stanley's and/or Eaton Vance's financial performance, (x) certain restrictions during the pendency of the acquisition that may impact Morgan Stanley's or Eaton Vance's ability to pursue certain business opportunities or strategic transactions, (xi) unpredictability and severity of catastrophic events, including, but not limited to, acts of terrorism or outbreak of war or hostilities, as well as Morgan Stanley's or Eaton Vance's management's response to any of the aforementioned factors, (xii) dilution caused by Morgan Stanley's issuance of additional shares of its common stock in connection with the proposed transaction, (xiii) the possibility that the transaction may be more expensive to complete than anticipated, including as a result of unexpected factors or events, (xiv) those risks described in Item 1A of Morgan Stanley's most recently filed Annual Report on Form 10-K and subsequent reports on Forms 10-Q and 8-K, (xv) those risks described in Item 1A of Eaton Vance's most recently filed Annual Report on Form 10-K and subsequent reports on Forms 10-Q and 8-K and (xvi) the additional risk factors described in the registration statement on Form S-4 filed on December 4, 2020, including amendments thereto ("Form S-4"), available from the sources indicated above. These risks, as well as other risks associated with the proposed acquisition, are more fully discussed in the registration statement on Form S-4 filed with the SEC in connection with the proposed acquisition. While the list of factors presented here is, and the list of factors presented in the registration statement on Form S-4 are, considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward-looking statements. Consequences of material differences in results as compared with those anticipated in the forward-looking statements could include, among other things, business disruption, operational problems, financial loss, legal liability to third parties and similar risks, any of which could have a material adverse effect on Morgan Stanley's or Eaton Vance's consolidated financial condition, results of operations, credit rating or liquidity. Neither Morgan Stanley nor Eaton Vance assumes any obligation to publicly provide revisions or updates to any forward-looking statements, whether as a result of new information, future developments or otherwise, should circumstances change, except as otherwise required by securities and other applicable laws.

End of Document