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): April 20, 2015

Morgan Stanley

(Exact name of Registrant as specified
in its charter)

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

1585 Broadway, New York, New York 10036

(Address of principal executive offices, including zip code)

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

(Former address, if changed since last report)

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

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

Item 2.02. Results of Operations and Financial Condition

On April 20, 2015, Morgan Stanley (the "Registrant") released financial information with respect to its quarter ended March 31, 2015. A copy of the press release containing this information is annexed as Exhibit 99.1 to this Report and by this reference incorporated herein and made a part hereof. In addition, a copy of the Registrant's Financial Data Supplement for its quarter ended March 31, 2015 is annexed as Exhibit 99.2 to this Report and by this reference incorporated herein and made a part hereof.

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

Item 9.01. Financial Statements and Exhibits

99.1 Press release of the Registrant, dated April 20, 2015, containing financial information for the quarter ended March 31, 2015.

99.2 Financial Data Supplement of the Registrant for the quarter ended March 31, 2015.

SIGNATURE

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

MORGAN STANLEY
(Registrant)
By: /s/ Paul C. Wirth

Paul C. Wirth
Deputy Chief Financial Officer

Dated: April 20, 2015

Exhibit 99.1

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

Morgan Stanley

Morgan Stanley Reports First Quarter 2015:

- **Net Revenues of $9.9 Billion and Earnings per Diluted Share from Continuing Operations of $1.18**
- **Excluding DVA,[1] Net Revenues were $9.8 Billion and Earnings per Diluted Share from Continuing Operations of $1.14[2,3,4]**
- **Strong Performance in Equity Sales & Trading and Improved Results in Fixed Income & Commodities; Investment Banking Achieved Top 3 Rankings in Global IPOs, Global Equity and Global Announced M&A[5]**
- **Wealth Management Pre-Tax Margin of 22%;[6] Record Client Assets and Revenue Per Financial Advisor**
- **ROE from Continuing Operations of 14.2%, or 10.1% Excluding DVA and Discrete Tax Benefit[2,7]**
- **Quarterly Dividend Increased 50% to $0.15 per Share**

NEW YORK, April 20, 2015 – Morgan Stanley (NYSE: MS) today reported net revenues of $9.9 billion for the first quarter ended March 31, 2015 compared with $9.0 billion a year ago. For the current quarter, income from continuing operations applicable to Morgan Stanley was $2.4 billion, or $1.18 per diluted share,[8] compared with income of $1.5 billion, or $0.74 per diluted share,[8] for the same period a year ago. Results for the current quarter included a net discrete tax benefit of $564 million or $0.29 per diluted share primarily associated with the repatriation of non-U.S. earnings at a lower cost than originally estimated.[9]

Excluding DVA, net revenues for the current quarter were $9.8 billion compared with $8.9 billion a year ago.[1,4] Income from continuing operations applicable to Morgan Stanley was $2.3 billion, or $1.14 per diluted share, compared with income of $1.4 billion, or $0.70 per diluted share, a year ago.[3,4]

Compensation expense of $4.5 billion increased from $4.3 billion a year ago primarily driven by higher revenues. Non-compensation expenses of $2.5 billion increased from $2.3 billion a year ago reflecting higher legal costs and volume driven expenses.

For the current quarter, net income applicable to Morgan Stanley, including discontinued operations, was $2.4 billion or $1.18 per diluted share,[8] compared with net income of $1.5 billion or $0.74 per diluted share in the first quarter of 2014.[8]

The annualized return on average common equity from continuing operations was 14.2% in the current quarter, or 10.1% excluding DVA and the net discrete tax benefit.[7]

Summary of Firm Results (dollars in millions)				
	As Reported		**Excluding DVA[4]**	
	Net Revenues	MS Income Cont. Ops.	Net Revenues	MS Income Cont. Ops.
1Q 2015	$9,907	$2,399	$9,782	$2,319
4Q 2014[(a)]	$7,764	$(1,622)	$7,541	$(1,767)
1Q 2014	$8,996	$1,506	$8,870	$1,431

a) Results for the fourth quarter of 2014 included several significant items: legal expenses of $3.1 billion associated with legacy residential mortgage matters; a net discrete tax benefit of approximately $1.4 billion related to the restructuring of a legal entity; compensation expense adjustments of approximately $1.1 billion related to changes in discretionary incentive compensation deferrals; and a reduction to net revenues of $468 million related to initial implementation of funding valuation adjustments (FVA).

Business Overview

- Institutional Securities net revenues excluding DVA were $5.3 billion.[10] Revenues for the quarter reflect strong performance in Equity sales and trading across products and regions, improved performance in Fixed Income and Commodities sales and trading on higher levels of client activity and solid results in Investment Banking.

- Wealth Management net revenues were $3.8 billion. The pre-tax margin was 22%.[6] Fee based asset flows for the quarter were $13.3 billion, with total client assets of $2.0 trillion at quarter end.

- Investment Management reported net revenues of $669 million with assets under management or supervision of $406 billion.

James P. Gorman, Chairman and Chief Executive Officer, said, “This was our strongest quarter in many years with improved performance across most areas of the firm. It reflects our ongoing strategy to build platforms for growth while maintaining a prudent risk profile and disciplined expense management.”

Summary of Institutional Securities Results (dollars in millions)				
	As Reported		**Excluding DVA[10]**	
	Net Revenues	Pre-Tax Income	Net Revenues	Pre-Tax Income
1Q 2015	$5,458	$1,813	$5,333	$1,688
4Q 2014[(a)]	$3,430	$(3,661)	$3,207	$(3,884)
1Q 2014	$4,677	$1,416	$4,551	$1,290

a) Results for the fourth quarter of 2014 included several significant items: legal expenses of $3.1 billion associated with legacy residential mortgage matters; compensation expense adjustments of approximately $900 million related to changes in discretionary incentive compensation deferrals; and a reduction to net revenues of $468 million related to initial implementation of funding valuation adjustments (FVA).

INSTITUTIONAL SECURITIES

Institutional Securities reported pre-tax income from continuing operations of $1.8 billion compared with pre-tax income of $1.4 billion in the first quarter of last year. Net revenues for the current quarter were $5.5 billion compared with $4.7 billion a year ago. Excluding DVA, net revenues for the current quarter of $5.3 billion compared with $4.6 billion a year ago.[1,10] The following discussion for sales and trading excludes DVA.

- Advisory revenues of $471 million increased from $336 million a year ago on increased M&A activity. Equity underwriting revenues of $307 million decreased from $315 million a year ago on fewer IPOs. Fixed income underwriting revenues of $395 million decreased from $485 million in the prior year quarter primarily driven by lower loan volumes.

- Equity sales and trading net revenues of $2.3 billion increased from $1.7 billion a year ago reflecting strong performance across products and regions on higher levels of client activity.[11]

- Fixed Income & Commodities sales and trading net revenues of $1.9 billion increased from $1.7 billion a year ago. Results for the current quarter reflect strength in commodities and higher revenues in rates and foreign exchange, partly offset by lower results in credit products.[11]

- Other sales and trading net losses of $213 million compared with losses of $244 million a year ago primarily reflecting lower costs related to the Firm's long-term debt.

- Other revenues of $90 million compared with $191 million a year ago. Revenues for the prior year period reflected a gain resulting from the disposition of CanTerm.[12]

- Compensation expense of $2.0 billion increased from $1.9 billion a year ago on higher revenues. Non-compensation expenses of $1.6 billion for the current quarter increased from $1.4 billion a year ago reflecting higher legal costs and volume driven expenses.

- Morgan Stanley's average trading Value-at-Risk (VaR) measured at the 95% confidence level was $47 million for the current quarter, unchanged from the fourth quarter of 2014 and compared with $50 million in the first quarter of the prior year.[13]

Summary of Wealth Management Results (dollars in millions)		
	Net Revenues	Pre-Tax Income
1Q 2015	$3,834	$855
4Q 2014	$3,804	$736
1Q 2014	$3,609	$686

WEALTH MANAGEMENT

Wealth Management reported pre-tax income from continuing operations of $855 million compared with $686 million in the first quarter of last year. The quarter's pre-tax margin was 22%.[6] Net revenues for the current quarter were $3.8 billion compared with $3.6 billion a year ago.

- Asset management fee revenues of $2.1 billion increased from $2.0 billion a year ago reflecting positive fee based asset flows and market appreciation.
- Transactional revenues[14] of $950 million decreased from $996 million a year ago primarily reflecting lower trading revenues and a decrease in commissions and fees.
- Net interest income of $689 million increased from $538 million a year ago on higher deposit and loan balances.
- Compensation expense of $2.2 billion and non-compensation expenses of $754 million for the current quarter were relatively unchanged from a year ago.
- Total client assets were $2.0 trillion at quarter end. Client assets in fee based accounts of $803 billion increased 11% compared with the prior year quarter. Fee based asset flows for the quarter were $13.3 billion.
- Wealth Management representatives of 15,915 produced average annualized revenue per representative of $959,000 in the current quarter.

Summary of Investment Management Results (dollars in millions)		
	Net Revenues	Pre-Tax Income
1Q 2015	$669	$187
4Q 2014	$588	$(6)
1Q 2014	$752	$268

INVESTMENT MANAGEMENT

Investment Management reported pre-tax income from continuing operations of $187 million compared with pre-tax income of $268 million in the first quarter of last year.[15]

- Net revenues of $669 million decreased from $752 million in the prior year primarily reflecting lower gains on investments in the Merchant Banking and Real Estate Investing business.[16] The current quarter also reflects lower revenues driven by the deconsolidation of certain legal entities during the quarter ended June 30, 2014 associated with a real estate fund sponsored by the Firm.[17]

- Compensation expense for the current quarter of $273 million decreased from $286 million a year ago, while non-compensation expenses of $209 million increased from $198 million a year ago.

- Assets under management or supervision at March 31, 2015 of $406 billion increased from $386 billion a year ago primarily due to positive flows. The business recorded net inflows of $1.3 billion in the current quarter.

CAPITAL

At March 31, 2015, the Firm's Common Equity Tier 1 risk-based capital ratio was approximately 13.1% and its Tier 1 risk-based capital ratio was approximately 14.7%. The Firm is subject to a "capital floor" such that these regulatory capital ratios currently reflect the lower of the ratios computed under the U.S. Basel III Advanced Approach or the U.S. Basel III Standardized Approach, taking into consideration applicable transitional provisions. At March 31, 2015, the capital floor is represented by the U.S. Basel III Advanced Approach.[18]

At March 31, 2015, book value and tangible book value per common share were $33.80 and $28.91,[19] respectively, based on approximately 2.0 billion shares outstanding.

OTHER MATTERS

In the current quarter, the Firm recognized a net discrete tax benefit of $564 million primarily associated with the repatriation of non-U.S. earnings at a cost lower than originally estimated due to an internal restructuring to simplify its legal entity organization in the U.K. The effective tax rate from continuing operations for the current quarter was 13.6%, or 33.3% excluding the net discrete tax benefit.[20]

During the quarter ended March 31, 2015, the Firm repurchased approximately $250 million of its common stock or approximately 7 million shares. The Firm announced a share repurchase of up to $3.1 billion of common stock beginning in the second quarter of 2015 through the end of second quarter 2016.

The Firm increased its quarterly dividend to $0.15 per share from $0.10 per share, payable on May 15, 2015 to common shareholders of record on April 30, 2015.

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

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

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(See Attached Schedules)

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

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

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

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

	1Q 2015	1Q 2014
Earnings (loss) per diluted share from cont. ops. - Non-GAAP	$1.14	$0.70
DVA Impact	$0.04	$0.04
Earnings (loss) per diluted share from cont. ops. - GAAP	$1.18	$0.74
Average diluted shares - Non-GAAP	1,963	1,969
DVA Impact	0	0
Average diluted shares - GAAP	1,963	1,969

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

	1Q 2015	4Q 2014	1Q 2014
Firm net revenues - Non-GAAP	$9,782	$7,541	$8,870
DVA impact	$125	$223	$126
Firm net revenues - GAAP	$9,907	$7,764	$8,996
Income (loss) applicable to MS - Non-GAAP	$2,319	$(1,767)	$1,431
DVA impact	$80	$145	$75
Income (loss) applicable to MS - GAAP	$2,399	$(1,622)	$1,506

[5] Source: Thomson Reuters – for the period of January 1, 2015 to March 31, 2015 as of April 1, 2015.

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

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

	1Q 2015
ROE from cont. ops. excluding DVA and discrete tax benefit	10.1%
DVA impact	0.7%
Discrete tax benefit	3.4%
ROE from cont. ops.	14.2%

[8] Includes preferred dividends and other adjustments related to the calculation of earnings per share for the first quarter of 2015 and 2014 of approximately $80 million and $56 million, respectively. Refer to page 3 of Morgan Stanley's Financial Supplement accompanying this release for the calculation of earnings per share.

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

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

	1Q 2015	4Q 2014	1Q 2014
Net revenues - Non-GAAP	$5,333	$3,207	$4,551
DVA impact	$125	$223	$126
Net revenues - GAAP	$5,458	$3,430	$4,677
Pre-tax income (loss) - Non-GAAP	$1,688	$(3,884)	$1,290
DVA impact	$125	$223	$126
Pre-tax income (loss) - GAAP	$1,813	$(3,661)	$1,416

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

	1Q 2015	1Q 2014
Sales & Trading - Non-GAAP	$3,958	$3,115
DVA Impact	$125	$126
Sales & Trading - GAAP	$4,083	$3,241
FIC Sales & Trading - Non-GAAP	$1,903	$1,654
DVA Impact	$100	$76
FIC Sales & Trading - GAAP	$2,003	$1,730
Equity Sales & Trading - Non-GAAP	$2,268	$1,705
DVA Impact	$25	$50
Equity Sales & Trading - GAAP	$2,293	$1,755

[12] "CanTerm" refers to CanTerm Canadian Terminals Inc.

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

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

[15] Results for the first quarter of 2015 and 2014 included pre-tax income of $14 million and $54 million, respectively, related to investments held by certain consolidated real estate funds. The limited partnership interests in these funds are reported in net income (loss) applicable to nonredeemable noncontrolling interests on page 10 of Morgan Stanley's Financial Supplement accompanying this release.

[16] Net revenues for the current quarter included gains of $14 million compared with gains of $54 million in the prior year first quarter related to investments held by certain consolidated real estate funds.

[17] On April 1, 2014, the Firm deconsolidated approximately $2 billion in total assets related to a real estate fund sponsored by the Firm.

[18] As an Advanced Approach banking organization, the Firm is required to compute risk-based capital ratios using both (i) standardized approaches for calculating credit risk weighted assets ("RWAs") and market risk RWAs (the "Standardized Approach"); and (ii) an advanced internal ratings-based approach for calculating credit risk RWAs, an advanced measurement approach for calculating operational risk RWAs, and an advanced approach for market risk RWAs calculated under Basel III (the "Advanced Approach"). To implement a provision of the Dodd-Frank Act, U.S. Basel III subjects Advanced Approach banking organizations which have been approved by their regulators to exit the parallel run, such as the Firm, to a permanent "capital floor". In calendar year 2014, the capital floor resulted in the Firm's capital ratios being the lower of the capital ratios computed under the Advanced Approach or the U.S. Basel I-based rules as supplemented by the existing market risk rules known as "Basel 2.5". Beginning on January 1, 2015, the capital floor is the lower of the capital ratios computed under the Advanced Approach or the Standardized Approach under U.S. Basel III, taking into consideration applicable transitional provisions. For the current quarter, the Firm's capital floor is represented by the Advanced Approach. These computations are preliminary estimates as of April 20, 2015 (the date of this release) and could be subject to revision in Morgan Stanley's Quarterly Report on Form 10-Q for the quarter ended March 31, 2015. The methods for calculating the Firm's risk-based capital ratios will change through 2022 as aspects of the U.S. Basel III final rule are phased in. The Firm's capital takes into consideration regulatory capital requirements as well as capital required for organic growth, acquisitions and other business needs.

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

[20] The effective tax rate from continuing operations, excluding net discrete tax benefit is a non-GAAP financial measure that the Firm considers useful for investors to allow better comparability of period-to-period operating performance. The reconciliation of effective tax rate from continuing operations from a non-GAAP to GAAP basis is as follows:

	1Q 2015
Effective Tax Rate - Non-GAAP	33.3%
Discrete Tax Benefit	(19.7%)
Effective Tax Rate - GAAP	13.6%

Morgan Stanley

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

	Quarter Ended			Percentage Change From:	
	Mar 31, 2015	Dec 31, 2014	Mar 31, 2014	Dec 31, 2014	Mar 31, 2014
Net revenues					
Institutional Securities	$ 5,458	$ 3,430	$ 4,677	59%	17%
Wealth Management	3,834	3,804	3,609	1%	6%
Investment Management	669	588	752	14%	(11%)
Intersegment Eliminations	(54)	(58)	(42)	7%	(29%)
Consolidated net revenues	$ 9,907	$ 7,764	$ 8,996	28%	10%
Income (loss) from continuing operations before tax					
Institutional Securities	$ 1,813	$ (3,661)	$ 1,416	*	28%
Wealth Management	855	736	686	16%	25%
Investment Management	187	(6)	268	*	(30%)
Intersegment Eliminations	0	0	0	--	--
Consolidated income (loss) from continuing operations before tax	$ 2,855	$ (2,931)	$ 2,370	*	20%
Income (loss) from continuing operations applicable to Morgan Stanley					
Institutional Securities	$ 1,755	$ (3,432)	$ 965	*	82%
Wealth Management	535	1,825	421	(71%)	27%
Investment Management	109	(15)	120	*	(9%)
Intersegment Eliminations	0	0	0	--	--
Consolidated income (loss) from continuing operations applicable to Morgan Stanley	$ 2,399	$ (1,622)	$ 1,506	*	59%
Earnings (loss) applicable to Morgan Stanley common shareholders	$ 2,314	$ (1,749)	$ 1,449	*	60%
Earnings per basic share:					
Income from continuing operations	$ 1.21	$ (0.91)	$ 0.75	*	61%
Discontinued operations	$ (0.01)	$ -	$ -	*	*
Earnings per basic share	$ 1.20	$ (0.91)	$ 0.75	*	60%
Earnings per diluted share:					
Income from continuing operations	$ 1.18	$ (0.91)	$ 0.74	*	59%
Discontinued operations	$ -	$ -	$ -	--	--
Earnings per diluted share	$ 1.18	$ (0.91)	$ 0.74	*	59%
Financial Metrics:					
Return on average common equity from continuing operations	14.2%	*	9.2%		
Return on average common equity	14.1%	*	9.2%		
Return on average common equity from continuing operations excluding DVA	13.5%	*	8.5%		
Return on average common equity excluding DVA	13.5%	*	8.5%		
Common Equity Tier 1 capital ratio Advanced (Transitional)	13.1%	12.6%	14.1%		
Tier 1 capital ratio Advanced (Transitional)	14.7%	14.1%	15.6%		
Book value per common share	$ 33.80	$ 33.25	$ 32.38		

Tangible book value per common share	$	28.91	$	28.26	$	27.41

Notes:
- Results for the quarters ended March 31, 2015, December 31, 2014 and March 31, 2014, include positive revenue of $125 million, $223 million and $126 million, respectively, related to the change in the fair value of certain of the Firm's long-term and short-term borrowings resulting from the fluctuation in the Firm's credit spreads and other credit factors (Debt Valuation Adjustment, DVA).
- Beginning in the first quarter of 2015, the Firm is subject to a “capital floor” such that the regulatory risk-based capital ratios reflect the lower of the ratios computed under the Advanced Approach or the Standardized Approach under U.S. Basel III, taking into consideration applicable transitional provisions. At March 31, 2015, the capital floor is represented by the U.S. Basel III Advanced Approach. Prior periods have not been recast to reflect the new requirements.
- The return on average common equity metrics, return on average common equity excluding DVA metrics, and tangible book value per common share are non-GAAP measures that the Firm considers to be useful measures to assess operating performance and capital adequacy.
- Tangible book value per common share equals tangible common equity divided by period end common shares outstanding.
- See page 4 of the Financial Supplement and End Notes for additional information related to the calculation of the financial metrics.

Morgan Stanley

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

	Quarter Ended			Percentage Change From:	
	Mar 31, 2015	Dec 31, 2014	Mar 31, 2014	Dec 31, 2014	Mar 31, 2014
Revenues:					
Investment banking	$ 1,357	$ 1,456	$ 1,308	(7%)	4%
Trading	3,650	1,451	2,962	152%	23%
Investments	266	112	359	138%	(26%)
Commissions and fees	1,186	1,235	1,216	(4%)	(2%)
Asset management, distribution and admin. fees	2,681	2,684	2,549	--	5%
Other	171	223	294	(23%)	(42%)
Total non-interest revenues	9,311	7,161	8,688	30%	7%
Interest income	1,484	1,436	1,343	3%	10%
Interest expense	888	833	1,035	7%	(14%)
Net interest	596	603	308	(1%)	94%
Net revenues	9,907	7,764	8,996	28%	10%
Non-interest expenses:					
Compensation and benefits	4,524	5,104	4,306	(11%)	5%
Non-compensation expenses:					
Occupancy and equipment	342	364	361	(6%)	(5%)
Brokerage, clearing and exchange fees	463	468	443	(1%)	5%
Information processing and communications	415	404	424	3%	(2%)
Marketing and business development	150	186	147	(19%)	2%
Professional services	486	611	453	(20%)	7%
Other	672	3,558	492	(81%)	37%
Total non-compensation expenses	2,528	5,591	2,320	(55%)	9%
Total non-interest expenses	7,052	10,695	6,626	(34%)	6%
Income (loss) from continuing operations before taxes	2,855	(2,931)	2,370	*	20%
Income tax provision / (benefit) from continuing operations	387	(1,353)	785	*	(51%)
Income (loss) from continuing operations	2,468	(1,578)	1,585	*	56%
Gain (loss) from discontinued operations after tax	(5)	(8)	(1)	38%	*
Net income (loss)	$ 2,463	$ (1,586)	$ 1,584	*	55%
Net income applicable to nonredeemable noncontrolling interests	69	44	79	57%	(13%)
Net income (loss) applicable to Morgan Stanley	2,394	(1,630)	1,505	*	59%
Preferred stock dividend / Other	80	119	56	(33%)	43%
Earnings (loss) applicable to Morgan Stanley common shareholders	$ 2,314	$ (1,749)	$ 1,449	*	60%
Amounts applicable to Morgan Stanley:					
Income (loss) from continuing operations	2,399	(1,622)	1,506	*	59%
Gain (loss) from discontinued operations after tax	(5)	(8)	(1)	38%	*
Net income (loss) applicable to Morgan Stanley	$ 2,394	$ (1,630)	$ 1,505	*	59%
Pre-tax profit margin	29%	*	26%		
Compensation and benefits as a % of net revenues	46%	66%	48%		
Non-compensation expenses as a % of net revenues	26%	72%	26%		
Effective tax rate from continuing operations	13.6%	46.2%	33.1%		

Notes:- In the quarter ended March 31, 2015, income tax provision / (benefit) from continuing operations included a net discrete tax benefit of $564 million primarily associated with the repatriation of non-U.S. earnings at a cost lower than originally estimated. In the quarter ended December 31, 2014, the income tax provision / (benefit) from continuing operations included a net discrete tax benefit of approximately $1.4 billion primarily related to the completion of a legal entity restructuring, partially offset by the impact of a tax provision of approximately $900 million which resulted from the non-deductible expenses related to litigation and regulatory matters.

- Pre-tax profit margin is a non-GAAP financial measure that the Firm considers to be a useful measure to assess operating performance.
- Preferred stock dividend / other includes allocation of earnings to Participating Restricted Stock Units (RSUs).

Morgan Stanley

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

	Quarter Ended			Percentage Change From:	
	Mar 31, 2015	Dec 31, 2014	Mar 31, 2014	Dec 31, 2014	Mar 31, 2014
Income (loss) from continuing operations	$ 2,468	$ (1,578)	$ 1,585	*	56%
Net income applicable to nonredeemable noncontrolling interests	69	44	79	57%	(13%)
Income (loss) from continuing operations applicable to Morgan Stanley	2,399	(1,622)	1,506	*	59%
Less: Preferred Dividends	78	119	54	(34%)	44%
Income (loss) from continuing operations applicable to Morgan Stanley, prior to allocation of income to Participating Restricted Stock Units	2,321	(1,741)	1,452	*	60%
Basic EPS Adjustments:					
Less: Allocation of earnings to Participating Restricted Stock Units	2	0	2	*	--
Earnings (loss) from continuing operations applicable to Morgan Stanley common shareholders	**$ 2,319**	**$ (1,741)**	**$ 1,450**	*	60%
Gain (loss) from discontinued operations after tax	(5)	(8)	(1)	38%	*
Less: Gain (loss) from discontinued operations after tax applicable to noncontrolling interests	0	0	0	--	--
Gain (loss) from discontinued operations after tax applicable to Morgan Stanley	(5)	(8)	(1)	38%	*
Less: Allocation of earnings to Participating Restricted Stock Units	0	0	0	--	--
Earnings (loss) from discontinued operations applicable to Morgan Stanley common shareholders	**(5)**	**(8)**	**(1)**	38%	*
Earnings (loss) applicable to Morgan Stanley common shareholders	**$ 2,314**	**$ (1,749)**	**$ 1,449**	*	60%
Average basic common shares outstanding (millions)	1,924	1,920	1,924	--	--
Earnings per basic share:					
Income from continuing operations	**$ 1.21**	**$ (0.91)**	**$ 0.75**	*	61%
Discontinued operations	**$ (0.01)**	**$ -**	**$ -**	*	*
Earnings per basic share	**$ 1.20**	**$ (0.91)**	**$ 0.75**	*	60%
Earnings (loss) from continuing operations applicable to Morgan Stanley common shareholders	**$ 2,319**	**$ (1,741)**	**$ 1,450**	*	60%
Earnings (loss) from discontinued operations applicable to Morgan Stanley common shareholders	(5)	(8)	(1)	38%	*
Earnings (loss) applicable to Morgan Stanley common shareholders	**$ 2,314**	**$ (1,749)**	**$ 1,449**	*	60%
Average diluted common shares outstanding and common stock equivalents (millions)	1,963	1,920	1,969	2%	--
Earnings per diluted share:					
Income from continuing operations	**$ 1.18**	**$ (0.91)**	**$ 0.74**	*	59%
Discontinued operations	**$ -**	**$ -**	**$ -**	--	--

Earnings per diluted share	$ **1.18**	$ **(0.91)**	$ **0.74**	*	59%

Notes:- The Firm calculates earnings per share using the two-class method as described under the accounting guidance for earnings per share. For further discussion of the Firm's earnings per share calculations, see page 13 of the Financial Supplement and Note 16 to the consolidated financial statements in the Firm's Annual Report on Form 10-K for the year ended December 31, 2014.

Exhibit 99.2

Morgan Stanley

MORGAN STANLEY
Financial Supplement - 1Q 2015
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MORGAN STANLEY

Quarterly Financial Summary [1]

(unaudited, dollars in millions)

	Quarter Ended			Percentage Change From:	
	Mar 31, 2015	Dec 31, 2014	Mar 31, 2014	Dec 31, 2014	Mar 31, 2014
Net revenues					
Institutional Securities	$ 5,458	$ 3,430	$ 4,677	59%	17%
Wealth Management	3,834	3,804	3,609	1%	6%
Investment Management	669	588	752	14%	(11%)
Intersegment Eliminations	(54)	(58)	(42)	7%	(29%)
Consolidated net revenues	$ 9,907	$ 7,764	$ 8,996	28%	10%
Income (loss) from continuing operations before tax					
Institutional Securities	$ 1,813	$ (3,661)	$ 1,416	*	28%
Wealth Management	855	736	686	16%	25%
Investment Management	187	(6)	268	*	(30%)
Intersegment Eliminations	0	0	0	--	--
Consolidated income (loss) from continuing operations before tax	$ 2,855	$ (2,931)	$ 2,370	*	20%
Income (loss) from continuing operations applicable to Morgan Stanley					
Institutional Securities	$ 1,755	$ (3,432)	$ 965	*	82%
Wealth Management	535	1,825	421	(71%)	27%
Investment Management	109	(15)	120	*	(9%)
Intersegment Eliminations	0	0	0	--	--
Consolidated income (loss) from continuing operations applicable to Morgan Stanley	$ 2,399	$ (1,622)	$ 1,506	*	59%
Financial Metrics:					
Return on average common equity from continuing operations [2]	14.2%	*	9.2%		
Return on average common equity [2]	14.1%	*	9.2%		
Return on average common equity from continuing operations excluding DVA [2]	13.5%	*	8.5%		
Return on average common equity excluding DVA [2]	13.5%	*	8.5%		
Common Equity Tier 1 capital ratio Advanced (Transitional) [3]	13.1%	12.6%	14.1%		
Tier 1 capital ratio Advanced (Transitional) [3]	14.7%	14.1%	15.6%		
Book value per common share [4]	$ 33.80	$ 33.25	$ 32.38		
Tangible book value per common share [5]	$ 28.91	$ 28.26	$ 27.41		

Notes: - Results for the quarters ended March 31, 2015, December 31, 2014 and March 31, 2014, include positive revenue of $125 million, $223 million and $126 million, respectively, related to the change in the fair value of certain of the Firm's long-term and short-term borrowings resulting from the fluctuation in the Firm's credit spreads and other credit factors (Debt Valuation Adjustment, DVA).

- Beginning in the first quarter of 2015, the Firm is subject to a “capital floor” such that the regulatory risk-based capital ratios reflect the lower of the ratios computed under the Advanced Approach or the Standardized Approach under U.S. Basel III, taking into consideration applicable transitional provisions. At March 31, 2015, the capital floor is represented by the U.S. Basel III Advanced Approach. Prior periods have not been recast to reflect the new requirements.
- The return on average common equity metrics, return on average common equity excluding DVA metrics, and tangible book value per common share are non-GAAP measures that the Firm considers to be useful measures to assess operating performance and capital adequacy.
- See page 4 of the Financial Supplement and End Notes for additional information related to the calculation of the financial metrics.
- Refer to End Notes on pages 14-16 and Legal Notice on page 17.

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

	Quarter Ended			Percentage Change From:	
	Mar 31, 2015	Dec 31, 2014	Mar 31, 2014	Dec 31, 2014	Mar 31, 2014
Revenues:					
Investment banking	$ 1,357	$ 1,456	$ 1,308	(7%)	4%
Trading	3,650	1,451	2,962	152%	23%
Investments	266	112	359	138%	(26%)
Commissions and fees	1,186	1,235	1,216	(4%)	(2%)
Asset management, distribution and admin. fees	2,681	2,684	2,549	--	5%
Other	171	223	294	(23%)	(42%)
Total non-interest revenues	9,311	7,161	8,688	30%	7%
Interest income	1,484	1,436	1,343	3%	10%
Interest expense	888	833	1,035	7%	(14%)
Net interest	596	603	308	(1%)	94%
Net revenues (1)	9,907	7,764	8,996	28%	10%
Non-interest expenses:					
Compensation and benefits (2)	4,524	5,104	4,306	(11%)	5%
Non-compensation expenses:					
Occupancy and equipment	342	364	361	(6%)	(5%)
Brokerage, clearing and exchange fees	463	468	443	(1%)	5%
Information processing and communications	415	404	424	3%	(2%)
Marketing and business development	150	186	147	(19%)	2%
Professional services	486	611	453	(20%)	7%
Other (3)	672	3,558	492	(81%)	37%
Total non-compensation expenses	2,528	5,591	2,320	(55%)	9%
Total non-interest expenses	7,052	10,695	6,626	(34%)	6%
Income (loss) from continuing operations before taxes	2,855	(2,931)	2,370	*	20%
Income tax provision / (benefit) from continuing operations (4)	387	(1,353)	785	*	(51%)
Income (loss) from continuing operations	2,468	(1,578)	1,585	*	56%
Gain (loss) from discontinued operations after tax	(5)	(8)	(1)	38%	*
Net income (loss)	$ 2,463	$ (1,586)	$ 1,584	*	55%
Net income applicable to nonredeemable noncontrolling interests	69	44	79	57%	(13%)
Net income (loss) applicable to Morgan Stanley	2,394	(1,630)	1,505	*	59%
Preferred stock dividend / Other	80	119	56	(33%)	43%
Earnings (loss) applicable to Morgan Stanley common shareholders	$ 2,314	$ (1,749)	$ 1,449	*	60%
Amounts applicable to Morgan Stanley:					
Income (loss) from continuing operations	2,399	(1,622)	1,506	*	59%
Gain (loss) from discontinued operations after tax	(5)	(8)	(1)	38%	*
Net income (loss) applicable to Morgan Stanley	$ 2,394	$ (1,630)	$ 1,505	*	59%
Pre-tax profit margin (5)	29%	*	26%		
Compensation and benefits as a % of net revenues	46%	66%	48%		
Non-compensation expenses as a % of net revenues	26%	72%	26%		
Effective tax rate from continuing operations (4)	13.6%	46.2%	33.1%		

Notes:
- In the quarter ended March 31, 2015, income tax provision / (benefit) from continuing operations included a net discrete tax benefit of $564 million primarily associated with the repatriation of non-U.S. earnings at a cost lower than originally estimated. In the quarter ended December 31, 2014, the income tax provision / (benefit) from continuing operations included a net discrete tax benefit of approximately $1.4 billion primarily related to the completion of a legal entity restructuring, partially offset by the impact of a tax provision of approximately $900 million which resulted from the non-deductible expenses related to litigation and regulatory matters: see End Notes for further details.
- Pre-tax profit margin is a non-GAAP financial measure that the Firm considers to be a useful measure to assess operating performance.
- Preferred stock dividend / other includes allocation of earnings to Participating Restricted Stock Units (RSUs).
- Refer to End Notes on pages 14-16 and Legal Notice on page 17.

Morgan Stanley

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

	Quarter Ended			Percentage Change From:	
	Mar 31, 2015	**Dec 31, 2014**	**Mar 31, 2014**	**Dec 31, 2014**	**Mar 31, 2014**
Income (loss) from continuing operations	$ 2,468	$ (1,578)	$ 1,585	*	56%
Net income from continuing operations applicable to nonredeemable noncontrolling interests	69	44	79	57%	(13%)
Income (loss) from continuing operations applicable to Morgan Stanley	2,399	(1,622)	1,506	*	59%
Less: Preferred Dividends	78	119	54	(34%)	44%
Income (loss) from continuing operations applicable to Morgan Stanley, prior to allocation of income to Participating Restricted Stock Units	2,321	(1,741)	1,452	*	60%
Basic EPS Adjustments:					
Less: Allocation of earnings to Participating Restricted Stock Units	2	0	2	*	--
Earnings (loss) from continuing operations applicable to Morgan Stanley common shareholders	**$ 2,319**	**$ (1,741)**	**$ 1,450**	*	60%
Gain (loss) from discontinued operations after tax	(5)	(8)	(1)	38%	*
Less: Gain (loss) from discontinued operations after tax applicable to noncontrolling interests	0	0	0	--	--
Gain (loss) from discontinued operations after tax applicable to Morgan Stanley	(5)	(8)	(1)	38%	*
Less: Allocation of earnings to Participating Restricted Stock Units	0	0	0	--	--
Earnings (loss) from discontinued operations applicable to Morgan Stanley common shareholders	**(5)**	**(8)**	**(1)**	38%	*
Earnings (loss) applicable to Morgan Stanley common shareholders	**$ 2,314**	**$ (1,749)**	**$ 1,449**	*	60%
Average basic common shares outstanding (millions)	1,924	1,920	1,924	--	--
Earnings per basic share:					
Income from continuing operations	**$ 1.21**	**$ (0.91)**	**$ 0.75**	*	61%
Discontinued operations	**$ (0.01)**	**$ -**	**$ -**	*	*
Earnings per basic share	**$ 1.20**	**$ (0.91)**	**$ 0.75**	*	60%
Earnings (loss) from continuing operations applicable to Morgan Stanley common shareholders	**$ 2,319**	**$ (1,741)**	**$ 1,450**	*	60%
Earnings (loss) from discontinued operations applicable to Morgan Stanley common shareholders	(5)	(8)	(1)	38%	*
Earnings (loss) applicable to Morgan Stanley common shareholders	**$ 2,314**	**$ (1,749)**	**$ 1,449**	*	60%
Average diluted common shares outstanding and common stock equivalents (millions)	1,963	1,920	1,969	2%	--
Earnings per diluted share:					
Income from continuing operations	**$ 1.18**	**$ (0.91)**	**$ 0.74**	*	59%
Discontinued operations	**$ -**	**$ -**	**$ -**	--	--
Earnings per diluted share	**$ 1.18**	**$ (0.91)**	**$ 0.74**	*	59%

Notes: - The Firm calculates earnings per share using the two-class method as described under the accounting guidance for earnings per share. For further discussion of the Firm's earnings per share calculations, see page 13 of the Financial Supplement and Note 16 to the consolidated financial statements in the Firm's Annual Report on Form 10-K for the year ended December 31, 2014.
- Refer to Legal Notice on page 17.

Morgan Stanley

MORGAN STANLEY
Quarterly Consolidated Financial Information and Statistical Data
(unaudited)

	Quarter Ended			Percentage Change From:	
	Mar 31, 2015	Dec 31, 2014	Mar 31, 2014	Dec 31, 2014	Mar 31, 2014
Regional revenues [1]					
Americas	$ 6,930	$ 6,118	$ 6,582	13%	5%
EMEA (Europe, Middle East, Africa)	1,762	581	1,422	*	24%
Asia	1,215	1,065	992	14%	22%
Consolidated net revenues	$ 9,907	$ 7,764	$ 8,996	28%	10%
Worldwide employees	56,087	55,802	55,883	1%	--
Firmwide:					
Deposits	$ 135,815	$ 133,544	$ 116,648	2%	16%
Assets	$ 829,099	$ 801,510	$ 831,381	3%	--
U.S. bank assets [2]	$ 153,629	$ 151,157	$ 130,019	2%	18%
Risk-weighted assets [3]	$ 439,538	$ 456,008	$ 397,915	(4%)	10%
Global liquidity reserve (billions) [4]	$ 195	$ 193	$ 203	1%	(4%)
Long-term debt outstanding	$ 155,545	$ 152,772	$ 153,374	2%	1%
Maturities of long-term debt outstanding (next 12 months)	$ 24,229	$ 20,740	$ 22,639	17%	7%
Common equity	$ 66,642	$ 64,880	$ 63,851	3%	4%
Preferred equity	7,520	6,020	3,220	25%	134%
Morgan Stanley shareholders' equity	74,162	70,900	67,071	5%	11%
Junior subordinated debt issued to capital trusts	4,873	4,868	4,859	--	--
Less: Goodwill and intangible assets [5]	(9,657)	(9,742)	(9,805)	1%	2%
Tangible Morgan Stanley shareholders' equity	$ 69,378	$ 66,026	$ 62,125	5%	12%
Tangible common equity [6]	$ 56,985	$ 55,138	$ 54,046	3%	5%
Common Equity Tier 1 capital Advanced (Transitional) [3]	$ 57,362	$ 57,324	$ 56,190	--	2%
Tier 1 capital Advanced (Transitional) [3]	$ 64,782	$ 64,182	$ 62,099	1%	4%
Common Equity Tier 1 capital ratio Advanced (Transitional) [3]	13.1%	12.6%	14.1%		
Tier 1 capital ratio Advanced (Transitional) [3]	14.7%	14.1%	15.6%		
Tier 1 leverage ratio Advanced (Transitional) [7]	7.8%	7.9%	7.6%		
Period end common shares outstanding (000's)	1,971,444	1,950,980	1,971,686	1%	--
Book value per common share	$ 33.80	$ 33.25	$ 32.38		
Tangible book value per common share	$ 28.91	$ 28.26	$ 27.41		

Notes: - All data presented in millions except number of employees, liquidity, ratios, shares and book values.
- Beginning in the first quarter of 2015, the Firm is subject to a "capital floor" such that the regulatory risk-based capital ratios reflect the lower of the ratios computed under the Advanced Approach or the Standardized Approach under U.S. Basel III, taking into consideration applicable transitional provisions. At March 31, 2015, the capital floor is represented by the U.S. Basel III Advanced Approach. Prior periods have not been recast to reflect the new requirements.
- Refer to End Notes on pages 14-16 and Legal Notice on page 17.

Morgan Stanley

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

	Quarter Ended			Percentage Change From:	
	Mar 31, 2015	Dec 31, 2014	Mar 31, 2014	Dec 31, 2014	Mar 31, 2014
Average Common Equity Tier 1 capital [1]					
Institutional Securities	$ 35.1	$ 31.5	$ 29.9	11%	17%
Wealth Management	3.9	4.8	5.3	(19%)	(26%)
Investment Management	1.3	2.0	1.6	(35%)	(19%)
Parent capital	16.4	21.5	18.6	(24%)	(12%)
Total - continuing operations	56.7	59.8	55.4	(5%)	2%
Discontinued operations	0.0	0.0	0.0	--	--
Firm	$ 56.7	$ 59.8	$ 55.4	(5%)	2%
Average Common Equity					
Institutional Securities	$ 37.0	$ 32.3	$ 30.8	15%	20%
Wealth Management	10.3	10.7	11.3	(4%)	(9%)
Investment Management	2.2	2.9	2.6	(24%)	(15%)
Parent capital	16.1	21.3	18.6	(24%)	(13%)
Total - continuing operations	65.6	67.2	63.3	(2%)	4%
Discontinued operations	0.0	0.0	0.0	--	--
Firm	$ 65.6	$ 67.2	$ 63.3	(2%)	4%
Return on average Common Equity Tier 1 capital					
Institutional Securities	20%	*	13%		
Wealth Management	49%	148%	30%		
Investment Management	34%	*	30%		
Total - continuing operations	16%	*	10%		
Firm	16%	*	10%		
Return on average Common Equity					
Institutional Securities	19%	*	12%		
Wealth Management	19%	66%	14%		
Investment Management	19%	*	19%		
Total - continuing operations	14%	*	9%		
Firm	14%	*	9%		

Notes: - The return on average common equity and average Common Equity Tier 1 capital are non-GAAP measures that the Firm considers to be useful measures to assess operating performance.
- In the quarter ended March 31, 2015, the returns on average Common Equity and average Common Equity Tier 1 Capital from continuing operations for Institutional Securities reflect the
impact of a net discrete tax benefit of $564 million related to an internal restructuring to simplify the Firm's legal entity organization in the U.K.
- In the quarter ended December 31, 2014, the returns on average Common Equity and average Common Equity Tier 1 Capital from continuing operations for Wealth Management reflect
the impact of a discrete tax benefit of approximately $1.4 billion related to the restructuring of a legal entity.
- Refer to End Notes on pages 14-16 and Legal Notice on page 17.

Morgan Stanley

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

	Quarter Ended			Percentage Change From:	
	Mar 31, 2015	Dec 31, 2014	Mar 31, 2014	Dec 31, 2014	Mar 31, 2014
Revenues:					
Investment banking	$ 1,173	$ 1,295	$ 1,136	(9%)	3%
Trading	3,422	1,219	2,707	181%	26%
Investments	112	30	109	*	3%
Commissions and fees	673	674	678	--	(1%)
Asset management, distribution and admin. fees	76	68	81	12%	(6%)
Other	90	161	191	(44%)	(53%)
Total non-interest revenues	5,546	3,447	4,902	61%	13%
Interest income	870	891	881	(2%)	(1%)
Interest expense	958	908	1,106	6%	(13%)
Net interest	(88)	(17)	(225)	*	61%
Net revenues [1]	5,458	3,430	4,677	59%	17%
Compensation and benefits [2]	2,026	2,432	1,853	(17%)	9%
Non-compensation expenses [3]	1,619	4,659	1,408	(65%)	15%
Total non-interest expenses	3,645	7,091	3,261	(49%)	12%
Income (loss) from continuing operations before taxes	1,813	(3,661)	1,416	*	28%
Income tax provision / (benefit) from continuing operations [4]	6	(261)	426	*	(99%)
Income (loss) from continuing operations	1,807	(3,400)	990	*	83%
Gain (loss) from discontinued operations after tax	(5)	(8)	(2)	38%	(150%)
Net income (loss)	1,802	(3,408)	988	*	82%
Net income applicable to nonredeemable noncontrolling interests [5]	52	32	25	63%	108%
Net income (loss) applicable to Morgan Stanley	$ 1,750	$ (3,440)	$ 963	*	82%
Amounts applicable to Morgan Stanley:					
Income (loss) from continuing operations	1,755	(3,432)	965	*	82%
Gain (loss) from discontinued operations after tax	(5)	(8)	(2)	38%	(150%)
Net income (loss) applicable to Morgan Stanley	$ 1,750	$ (3,440)	$ 963	*	82%
Return on average common equity from continuing operations	19%	*	12%		
Pre-tax profit margin [6]	33%	*	30%		
Compensation and benefits as a % of net revenues	37%	71%	40%		

Notes: - In the quarter ended March 31, 2015, income tax provision / (benefit) from continuing operations included a net discrete tax benefit of $564 million primarily associated with the repatriation of non-U.S. earnings at a lower cost than originally estimated. In the quarter ended December 31, 2014, income tax provision / (benefit) from continuing operations included the impact of a tax provision of approximately $900 million which resulted from the non-deductible expenses related to litigation and regulatory matters.
- Pre-tax profit margin and return on average common equity are non-GAAP financial measures that the Firm considers to be a useful measure to assess operating performance.
- Refer to End Notes on pages 14-16 and Legal Notice on page 17.

Morgan Stanley

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

	Quarter Ended			Percentage Change From:	
	Mar 31, 2015	Dec 31, 2014	Mar 31, 2014	Dec 31, 2014	Mar 31, 2014
Investment Banking					
Advisory revenues	$ 471	$ 488	$ 336	(3%)	40%
Underwriting revenues					
Equity	307	345	315	(11%)	(3%)
Fixed income	395	462	485	(15%)	(19%)
Total underwriting revenues	702	807	800	(13%)	(12%)
Total investment banking revenues	$ 1,173	$ 1,295	$ 1,136	(9%)	3%
Sales & Trading [1]					
Equity	$ 2,293	$ 1,687	$ 1,755	36%	31%
Fixed Income & Commodities [2]	2,003	294	1,730	*	16%
Other	(213)	(37)	(244)	*	13%
Total sales & trading net revenues	$ 4,083	$ 1,944	$ 3,241	110%	26%
Investments & Other					
Investments	$ 112	$ 30	$ 109	*	3%
Other	90	161	191	(44%)	(53%)
Total investments & other revenues	$ 202	$ 191	$ 300	6%	(33%)
Total Institutional Securities net revenues	$ 5,458	$ 3,430	$ 4,677	59%	17%
Institutional Securities U.S. Bank Data (billions) [3]					
Corporate Lending	$ 10.1	$ 9.6	$ 9.1	5%	11%
Other Lending:					
Corporate loans	9.4	8.0	3.6	18%	161%
Wholesale real estate loans	9.0	8.6	2.4	5%	*
Total other funded loans	$ 18.4	$ 16.6	$ 6.0	11%	*
Total corporate and other funded loans	$ 28.5	$ 26.2	$ 15.1	9%	89%
Average Daily 95% / One-Day Value-at-Risk ("VaR") [4]					
Primary Market Risk Category ($ millions, pre-tax)					
Interest rate and credit spread	$ 32	$ 34	$ 33		
Equity price	$ 18	$ 18	$ 19		
Foreign exchange rate	$ 11	$ 11	$ 14		
Commodity price	$ 17	$ 14	$ 20		
Aggregation of Primary Risk Categories	$ 44	$ 43	$ 46		
Credit Portfolio VaR	$ 16	$ 12	$ 12		
Trading VaR	$ 47	$ 47	$ 50		

Notes: - See page 15 of the Financial Supplement for additional details on DVA amounts reported in the Institutional Securities business.
- The other lending U.S. bank data includes activities related to commercial and residential mortgage lending, asset-backed lending, corporate loans purchased in the secondary market, financing extended to equities and commodities customers, and loans to municipalities.
- Refer to End Notes on pages 14-16 and Legal Notice on page 17.

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

	Quarter Ended			Percentage Change From:	
	Mar 31, 2015	Dec 31, 2014	Mar 31, 2014	Dec 31, 2014	Mar 31, 2014
Revenues:					
Investment banking	$ 192	$ 173	$ 181	11%	6%
Trading	232	230	275	1%	(16%)
Investments	2	1	4	100%	(50%)
Commissions and fees	526	573	540	(8%)	(3%)
Asset management, distribution and admin. fees	2,115	2,135	2,008	(1%)	5%
Other	78	67	63	16%	24%
Total non-interest revenues	3,145	3,179	3,071	(1%)	2%
Interest income	737	670	581	10%	27%
Interest expense	48	45	43	7%	12%
Net interest	689	625	538	10%	28%
Net revenues	3,834	3,804	3,609	1%	6%
Compensation and benefits (1)	2,225	2,291	2,167	(3%)	3%
Non-compensation expenses	754	777	756	(3%)	--
Total non-interest expenses	2,979	3,068	2,923	(3%)	2%
Income (loss) from continuing operations before taxes	855	736	686	16%	25%
Income tax provision / (benefit) from continuing operations (2)	320	(1,089)	265	*	21%
Income (loss) from continuing operations	535	1,825	421	(71%)	27%
Gain (loss) from discontinued operations after tax	0	0	0	--	--
Net income (loss)	535	1,825	421	(71%)	27%
Net income applicable to nonredeemable noncontrolling interests	-	-	-	--	--
Net income (loss) applicable to Morgan Stanley	$ 535	$ 1,825	$ 421	(71%)	27%
Amounts applicable to Morgan Stanley:					
Income (loss) from continuing operations	535	1,825	421	(71%)	27%
Gain (loss) from discontinued operations after tax	0	0	0	--	--
Net income (loss) applicable to Morgan Stanley	$ 535	$ 1,825	$ 421	(71%)	27%
Return on average common equity from continuing operations	19%	66%	14%		
Pre-tax profit margin (3)	22%	19%	19%		
Compensation and benefits as a % of net revenues	58%	60%	60%		

Notes:
- Pre-tax profit margin and return on average common equity are non-GAAP financial measures that the Firm considers to be a useful measure to assess operating performance.
- In the quarter ended December 31, 2014, the income tax provision / (benefit) from continuing operations included a net discrete tax benefit of approximately $1.4 billion primarily related to the completion of a legal entity restructuring.
- Refer to End Notes on pages 14-16 and Legal Notice on page 17.

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

	Quarter Ended			Percentage Change From:	
	Mar 31, 2015	Dec 31, 2014	Mar 31, 2014	Dec 31, 2014	Mar 31, 2014
Wealth Management representatives	15,915	16,076	16,426	(1%)	(3%)
Annualized revenue per representative (000's) (1)	$ 959	$ 944	$ 878	2%	9%
Client assets (billions)	$ 2,047	$ 2,025	$ 1,943	1%	5%
Client liabilities (billions)	$ 54	$ 51	$ 41	6%	32%
Fee-based client account assets (billions) (2)	$ 803	$ 785	$ 724	2%	11%
Fee-based assets as a % of client assets	39%	39%	37%		
Bank deposit program (millions)	$ 134,622	$ 137,307	$ 132,026	(2%)	2%
Client assets per representative (millions) (3)	$ 129	$ 126	$ 118	2%	9%
Fee based asset flows (billions) (4)	$ 13.3	$ 20.8	$ 19.0	(36%)	(30%)
Retail locations	621	622	642	--	(3%)
Wealth Management U.S. Bank Data (billions) (5)					
Securities-based lending and other loans	$ 22.8	$ 21.9	$ 16.3	4%	40%
Residential real estate loans	$ 16.9	$ 15.8	$ 11.1	7%	53%
Investment securities portfolio (6)	$ 58.3	$ 57.3	$ 53.0	2%	10%

Notes: - Client liabilities reflect lending on Morgan Stanley Bank, N.A. and Morgan Stanley Private Bank, National Association and broker dealer margin activity.
- For the quarters ended March 31, 2015, December 31, 2014 and March 31, 2014, approximately $130 billion, $128 billion and $108 billion, respectively, of the assets in the bank deposit program are attributable to Morgan Stanley.
- Refer to End Notes on pages 14-16 and Legal Notice on page 17.

Morgan Stanley

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

	Quarter Ended			Percentage Change From:	
	Mar 31, 2015	Dec 31, 2014	Mar 31, 2014	Dec 31, 2014	Mar 31, 2014
Revenues:					
Investment banking	$ -	$ -	$ 4	--	*
Trading	3	3	(20)	--	*
Investments (1)	152	81	246	88%	(38%)
Commissions and fees	0	0	0	--	--
Asset management, distribution and admin. fees	514	506	486	2%	6%
Other	5	2	40	150%	(88%)
Total non-interest revenues	674	592	756	14%	(11%)
Interest income	1	0	1	*	--
Interest expense	6	4	5	50%	20%
Net interest	(5)	(4)	(4)	(25%)	(25%)
Net revenues	669	588	752	14%	(11%)
Compensation and benefits (2)	273	381	286	(28%)	(5%)
Non-compensation expenses	209	213	198	(2%)	6%
Total non-interest expenses	482	594	484	(19%)	--
Income (loss) from continuing operations before taxes	187	(6)	268	*	(30%)
Income tax provision / (benefit) from continuing operations	61	(3)	94	*	(35%)
Income (loss) from continuing operations	126	(3)	174	*	(28%)
Gain (loss) from discontinued operations after tax	0	0	1	--	*
Net income (loss)	126	(3)	175	*	(28%)
Net income applicable to nonredeemable noncontrolling interests (1)	17	12	54	42%	(69%)
Net income (loss) applicable to Morgan Stanley	$ 109	$ (15)	$ 121	*	(10%)
Amounts applicable to Morgan Stanley:					
Income (loss) from continuing operations	109	(15)	120	*	(9%)
Gain (loss) from discontinued operations after tax	0	0	1	--	*
Net income (loss) applicable to Morgan Stanley	$ 109	$ (15)	$ 121	*	(10%)
Return on average common equity from continuing operations	19%	*	19%		
Pre-tax profit margin (3)	28%	*	36%		
Compensation and benefits as a % of net revenues	41%	65%	38%		

Notes: - Pre-tax profit margin and return on average common equity are non-GAAP financial measures that the Firm considers to be a useful measure to assess operating performance.
- Refer to End Notes on pages 14-16 and Legal Notice on page 17.

Morgan Stanley

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

	Quarter Ended			Percentage Change From:	
	Mar 31, 2015	Dec 31, 2014	Mar 31, 2014	Dec 31, 2014	Mar 31, 2014
Net Revenues (millions)					
Traditional Asset Management	$ 439	$ 432	$ 449	2%	(2%)
Merchant Banking and Real Estate Investing [1]	230	156	303	47%	(24%)
Total Investment Management	$ 669	$ 588	$ 752	14%	(11%)
Assets under management or supervision (billions)					
Net flows by asset class [2]					
Traditional Asset Management					
Equity	$ (2.0)	$ (2.9)	$ 2.8	31%	*
Fixed Income	1.1	1.4	(0.7)	(21%)	*
Liquidity	2.8	3.3	2.3	(15%)	22%
Alternatives	0.1	0.6	1.8	(83%)	(94%)
Managed Futures	(0.3)	(0.2)	(0.2)	(50%)	(50%)
Total Traditional Asset Management	1.7	2.2	6.0	(23%)	(72%)
Merchant Banking and Real Estate Investing	(0.4)	1.3	(0.2)	*	(100%)
Total net flows	$ 1.3	$ 3.5	$ 5.8	(63%)	(78%)
Assets under management or supervision by asset class [3]					
Traditional Asset Management					
Equity	$ 141	$ 141	$ 145	--	(3%)
Fixed Income	65	65	61	--	7%
Liquidity	131	128	114	2%	15%
Alternatives	36	36	34	--	6%
Managed Futures	3	3	4	--	(25%)
Total Traditional Asset Management	376	373	358	1%	5%
Merchant Banking and Real Estate Investing	30	30	28	--	7%
Total Assets Under Management or Supervision	$ 406	$ 403	$ 386	1%	5%
Share of minority stake assets	$ 7	$ 7	$ 7	--	--

Notes: - Effective in the quarter ended March 31, 2015 the Merchant Banking and Real Estate Investing categories have been combined to reflect the central management of these businesses. Prior periods have been combined to conform to current presentation.
- The alternatives asset class includes a range of investment products such as funds of hedge funds, funds of private equity funds and funds of real estate funds.
- The share of minority stake assets represents Investment Management's proportional share of assets managed by entities in which it owns a minority stake.
- Refer to End Notes on pages 14-16 and Legal Notice on page 17.

Morgan Stanley

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

	Quarter Ended			Percentage Change From:	
	Mar 31, 2015	Dec 31, 2014	Mar 31, 2014	Dec 31, 2014	Mar 31, 2014
Institutional Securities					
Corporate Lending Funded Loans					
Loans held for investment, net of allowance	$ 7.7	$ 8.0	$ 8.4	(4%)	(8%)
Loans held for sale	6.6	7.8	4.7	(15%)	40%
Loans held at fair value	0.5	0.5	1.9	--	(74%)
Total Corporate Lending funded loans [1]	$ 14.8	$ 16.3	$ 15.0	(9%)	(1%)
Corporate Lending Commitments					
Loans held for investment	$ 68.0	$ 62.9	$ 63.5	8%	7%
Loans held for sale	18.8	15.8	10.5	19%	79%
Loans held at fair value	2.3	3.3	7.8	(30%)	(71%)
Total Corporate Lending commitments [2]	$ 89.1	$ 82.0	$ 81.8	9%	9%
Corporate Lending Loans and Lending Commitments[3]	$ 103.9	$ 98.3	$ 96.8	6%	7%
Other Funded Loans					
Loans held for investment, net of allowance	$ 12.9	$ 11.4	$ 5.7	13%	126%
Loans held for sale	1.5	1.6	0.0	(6%)	*
Loans held at fair value	10.9	11.5	11.5	(5%)	(5%)
Total other funded loans	$ 25.3	$ 24.5	$ 17.2	3%	47%
Other Lending Commitments					
Loans held for investment	$ 1.7	$ 2.3	$ 1.6	(26%)	6%
Loans held for sale	0.1	0.8	0.0	(88%)	*
Loans held at fair value	2.2	2.1	1.7	5%	29%
Total other lending commitments	$ 4.0	$ 5.2	$ 3.3	(23%)	21%
Other Loans and Lending Commitments[4]	$ 29.3	$ 29.7	$ 20.5	(1%)	43%
Institutional Securities Loans and Lending Commitments [5]	$ 133.2	$ 128.0	$ 117.3	4%	14%
Wealth Management					
Funded Loans					
Loans held for investment, net of allowance	$ 39.9	$ 37.7	$ 27.5	6%	45%
Loans held for sale	0.1	0.1	0.1	--	--
Total funded loans	$ 40.0	$ 37.8	$ 27.6	6%	45%
Lending Commitments					
Loans held for investment	$ 5.1	$ 5.0	$ 5.3	2%	(4%)
Loans held for sale	0.0	0.0	0.0	--	--
Total lending commitments	$ 5.1	$ 5.0	$ 5.3	2%	(4%)
Wealth Management Loans and Lending Commitments[6]	$ 45.1	$ 42.8	$ 32.9	5%	37%
Firm Loans and Lending Commitments	$ 178.3	$ 170.8	$ 150.2	4%	19%

Note: - Refer to End Notes on pages 14-16 and Legal Notice on page 17.

This page represents an addendum to the 1Q 2015 Financial Supplement, Appendix I

MORGAN STANLEY
Earnings Per Share Calculation Under Two-Class Method
Three Months Ended March 31, 2015
(unaudited, in millions, except for per share data)

Allocation of net income from continuing operations

	(A)	(B)	(C)	(D)	(E)	(F)		(G)
						(D)+(E)		(F)/(A)
	Weighted Average # of Shares	% Allocation [2]	Net income from continuing operations applicable to Morgan Stanley [3]	Distributed Earnings [4]	Undistributed Earnings [5]	Total Earnings Allocated		Basic EPS [8]
Basic Common Shares	1,924	100%		$194	$2,125	$2,319	(6)	$1.21
Participating Restricted Stock Units [1]	2	0%		$0	$2	$2	(7)	N/A
	1,926	100%	$2,321	$194	$2,127	$2,321		

Allocation of gain (loss) from discontinued operations

	(A)	(B)	(C)	(D)	(E)	(F)		(G)
						(D)+(E)		(F)/(A)
	Weighted Average # of Shares	% Allocation [2]	Gain (loss) from Discontinued Operations Applicable to Common Shareholders, after Tax [3]	Distributed Earnings [4]	Undistributed Earnings [5]	Total Earnings Allocated		Basic EPS [8]
Basic Common Shares	1,924	100%		$0	$(5)	$(5)	(6)	$(0.01)
Participating Restricted Stock Units [1]	2	0%		$0	$0	$0	(7)	N/A
	1,926	100%	$(5)	$0	$(5)	$(5)		

Allocation of net income applicable to common shareholders

	(A)	(B)	(C)	(D)	(E)	(F)		(G)
						(D)+(E)		(F)/(A)
	Weighted Average # of Shares	% Allocation [2]	Net income applicable to Morgan Stanley [3]	Distributed Earnings [4]	Undistributed Earnings [5]	Total Earnings Allocated		Basic EPS [8]
Basic Common Shares	1,924	100%		$194	$2,120	$2,314	(6)	$1.20
Participating Restricted Stock Units [1]	2	0%		$0	$2	$2	(7)	N/A
	1,926	100%	$2,316	$194	$2,122	$2,316		

Note: - Refer to End Notes on pages 14-16 and Legal Notice on page 17.

Morgan Stanley

MORGAN STANLEY
End Notes

Page 1:

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

(2) The return on average common equity and the return on average common equity from continuing operations equal income applicable to Morgan Stanley in each case less preferred dividends as a percentage of average common equity. The return on average common equity and the return on average common equity from continuing operations excluding DVA are adjusted for DVA in each case in the numerator and denominator.

(3) As an Advanced Approach banking organization, the Firm is required to compute risk-based capital ratios using both (i) standardized approaches for calculating credit risk weighted assets ("RWAs") and market risk RWAs (the "Standardized Approach"); and (ii) an advanced internal ratings-based approach for calculating credit risk RWAs, an advanced measurement approach for calculating operational risk RWAs, and an advanced approach for market risk RWAs calculated under Basel III (the "Advanced Approach"). To implement a provision of the Dodd-Frank Act, U.S. Basel III subjects Advanced Approach banking organizations which have been approved by their regulators to exit the parallel run, such as the Firm, to a permanent "capital floor". In calendar year 2014, the capital floor resulted in the Firm's capital ratios being the lower of the capital ratios computed under the Advanced Approach or Standardized Approach the U.S. Basel I-based rules as supplemented by the existing market risk rules known as "Basel 2.5". Beginning on January 1, 2015, the capital floor is the lower of the capital ratios computed under the Advanced Approach or the Standardized Approach under U.S. Basel III, taking into consideration applicable transitional provisions. For the current quarter, the Firm's capital floor is represented by the Advanced Approach. These computations are preliminary estimates as of April 20, 2015 (the date of this release) and could be subject to revision in Morgan Stanley's Quarterly Report on Form 10-Q for the quarter ended March 31, 2015. The methods for calculating the Firm's risk-based capital ratios will change through 2022 as aspects of the U.S. Basel III final rule are phased in. The Firm's capital takes into consideration regulatory capital requirements as well as capital required for organic growth, acquisitions and other business needs. For information on the calculation of regulatory capital and ratios for prior periods, please refer to Part 2, Item 7 "Regulatory Requirements" in Morgan Stanley's Annual Report on Form 10-K for the year ended December 31, 2014.

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

(5) Tangible book value per common share equals tangible common equity divided by period end common shares outstanding.

Page 2:

(1) During the fourth quarter of 2014, Morgan Stanley incorporated funding valuation adjustments (FVA) into the fair value measurements of over-the-counter uncollateralized or partially collateralized derivatives, and in collateralized derivatives where the terms of the agreement do not permit the reuse of the collateral received. The Firm's implementation of FVA reflects the inclusion of FVA in the pricing and valuations by the majority of market participants involved in the Firm's principal exit market for these instruments. In general, FVA reflects a market funding risk premium inherent in the noted derivative instruments. In connection with its implementation of FVA, Morgan Stanley incurred a pre-tax charge of approximately $468 million, representing a change in accounting estimate, of which $466 million was reflected as a reduction to Institutional Securities Fixed Income & Commodities sales and trading net revenues.

(2) On December 1, 2014, the Firm's Compensation, Management Development and Succession (CMDS) Committee of the Board of Directors approved an approach for awards of discretionary incentive compensation for the 2014 performance year to be granted in 2015 that would reduce the average deferral of such awards to an approximate baseline of 50%. Additionally, the CMDS Committee approved the acceleration of vesting for certain outstanding deferred cash-based incentive compensation awards. The impact of these actions on compensation and benefits expenses for the Firm and each business segment are as follows: Firm: $1,137 million, ISG: $904 million, WM: $88 million, IM: $145 million.

(3) In the quarter ended December 31, 2014, non-compensation expenses included approximately $3.1 billion of additions to legal reserves associated with legacy residential mortgage and credit crisis related matters (reported in the Institutional Securities segment).

(4) In the quarter ended March 31, 2015, income tax provision / (benefit) from continuing operations included a net discrete tax benefit of $564 million primarily associated with the repatriation of non-U.S. earnings at a cost lower than originally estimated due to an internal restructuring to simplify the Firm's legal entity organization in the U.K., reported in the Institutional Securities business segment. In the quarter ended December 31, 2014, the income tax provision / (benefit) from continuing operations included a net discrete tax benefit of approximately $1.4 billion primarily related to the completion of a legal entity restructuring that included a change in tax status of Morgan Stanley Smith Barney Holdings LLC (MSSBH) from a partnership to a corporation. MSSBH is the holding company for the former Wealth Management JV. This benefit was partially offset by the impact of a tax provision of approximately $900 million which resulted from the non-deductible expenses related to litigation and regulatory matters, reported in the Institutional Securities business segment.

(5) Pre-tax profit margin percentages represent income from continuing operations before income taxes as a percentage of net revenues.

Page 4:

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

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

(3) As an Advanced Approach banking organization, the Firm is required to compute risk-based capital ratios using both (i) standardized approaches for calculating credit risk weighted assets ("RWAs") and market risk RWAs (the "Standardized Approach"); and (ii) an advanced internal ratings-based approach for calculating credit risk RWAs, an advanced measurement approach for calculating operational risk RWAs, and an advanced approach for market risk RWAs calculated under Basel III (the "Advanced Approach"). To implement a provision of the Dodd-Frank Act, U.S. Basel III subjects Advanced Approach banking organizations which have been approved by their regulators to exit the parallel run, such as the Firm, to a permanent "capital floor". In calendar year 2014, the capital floor resulted in the Firm's capital ratios being the lower of the capital ratios computed under the Advanced Approach or Standardized Approach the U.S. Basel I-based rules as supplemented by the existing market risk rules known as "Basel 2.5". Beginning on January 1, 2015, the capital floor is the lower of the capital ratios computed under the Advanced Approach or

the Standardized Approach under U.S. Basel III, taking into consideration applicable transitional provisions. For the current quarter, the Firm's capital floor is represented by the Advanced Approach. These computations are preliminary estimates as of April 20, 2015 (the date of this release) and could be subject to revision in Morgan Stanley's Quarterly Report on Form 10-Q for the quarter ended March 31, 2015. The methods for calculating the Firm's risk-based capital ratios will change through 2022 as aspects of the U.S. Basel III final rule are phased in. The Firm's capital takes into consideration regulatory capital requirements as well as capital required for organic growth, acquisitions and other business needs. For information on the calculation of regulatory capital and ratios for prior periods, please refer to Part 2, Item 7 "Regulatory Requirements" in Morgan Stanley's Annual Report on Form 10-K for the year ended December 31, 2014.

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

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

(6) Tangible common equity equals common equity less goodwill and intangible assets net of allowable mortgage servicing rights deduction.

(7) Tier 1 leverage ratio equals Tier 1 capital divided by adjusted average total assets (which reflects adjustments for disallowed goodwill, transitional intangible assets, certain deferred tax assets, certain financial equity investments, and other adjustments). For more information on the calculation of the Tier 1 leverage ratio for prior periods, please refer to Part II, Item 7 "Regulatory Requirements" in Morgan Stanley's Annual Report on Form 10-K for the year ended December 31, 2014.

MORGAN STANLEY
End Notes

Page 5:

(1) The Firm's capital estimation and attribution to the business segments are based on the Required Capital framework, an internal capital adequacy measure which considers risk, leverage, potential losses from extreme stress events, and diversification under a going concern capital concept at a point in time. The framework also takes into consideration regulatory capital requirements as well as capital required for organic growth, acquisitions and other business needs. For further discussion of the framework, refer to Part II, Item 7 "Regulatory Requirements" in Morgan Stanley's Annual Report on Form 10-K for the year ended December 31, 2014.

Page 6:

(1) During the quarter ended December 31, 2014, Morgan Stanley incorporated funding valuation adjustments (FVA) into the fair value measurements of over-the-counter uncollateralized or partially collateralized derivatives, and in collateralized derivatives where the terms of the agreement do not permit the reuse of the collateral received. The Firm's implementation of FVA reflects the inclusion of FVA in the pricing and valuations by the majority of market participants involved in the Firm's principal exit market for these instruments. In general, FVA reflects a market funding risk premium inherent in the noted derivative instruments. In connection with its implementation of FVA, Morgan Stanley incurred a pre-tax charge of approximately $468 million, representing a change in accounting estimate, of which $466 million was reflected as a reduction to Institutional Securities Fixed Income & Commodities sales and trading net revenues.
(2) In the quarter ended December 31, 2014, the impact of the compensation expense increase from deferral adjustments for the Institutional Securities business segment was $904 million.
(3) In the quarter ended December 31, 2014, non-compensation expenses included approximately $3.1 billion of additions to legal reserves associated with legacy residential mortgage and credit crisis related matters.
(4) In the quarter ended March 31, 2015, income tax provision / (benefit) from continuing operations included a net discrete tax benefit of $564 million primarily associated with the repatriation of non-U.S. earnings at a lower cost than originally estimated due to an internal restructuring to simplify the Firm's legal entity organization in the U.K. In the quarter ended December 31, 2014, income tax provision / (benefit) from continuing operations included the impact of a tax provision of approximately $900 million which resulted from the non-deductible expenses related to litigation and regulatory matters.
(5) Net income applicable to noncontrolling interests primarily represents the allocation to Mitsubishi UFJ Financial Group, Inc. of Morgan Stanley MUFG Securities Co., Ltd, which the Firm consolidates.
(6) Pre-tax profit margin percentages represent income from continuing operations before income taxes as a percentage of net revenues.

Page 7:

(1) For the periods noted below, sales and trading net revenues included positive revenue related to DVA as follows:
March 31, 2015: Total QTD: $125 million; Fixed Income & Commodities: $100 million; Equity: $25 million
December 31, 2014: Total QTD: $223 million; Fixed Income & Commodities: $161 million; Equity: $62 million
March 31, 2014: Total QTD: $126 million; Fixed Income & Commodities: $76 million; Equity: $50 million
(2) During the fourth quarter of 2014, Morgan Stanley incorporated funding valuation adjustments (FVA) into the fair value measurements of over-the-counter uncollateralized or partially collateralized derivatives, and in collateralized derivatives where the terms of the agreement do not permit the reuse of the collateral received. The Firm's implementation of FVA reflects the inclusion of FVA in the pricing and valuations by the majority of market participants involved in the Firm's principal exit market for these instruments. In general, FVA reflects a market funding risk premium inherent in the noted derivative instruments. In connection with its implementation of FVA, Morgan Stanley incurred a pre-tax charge of approximately $468 million, representing a change in accounting estimate, of which $466 million was reflected as a reduction to Institutional Securities Fixed Income & Commodities sales and trading net revenues.
(3) Institutional Securities U.S. Bank refers to Firm's U.S. bank operating subsidiaries Morgan Stanley Bank, N.A. and Morgan Stanley Private Bank, National Association.
(4) VaR represents the loss amount that one would not expect to exceed, on average, more than five times every one hundred trading days in the Firm's trading positions if the portfolio were held constant for a one-day period. Further discussion of the calculation of VaR and the limitations of the Firm's VaR methodology, is disclosed in Part II, Item 7A "Quantitative and Qualitative Disclosures about Market Risk" included in the Firm's 2014 Form 10-K.

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(1) In the quarter ended December 31, 2014, the impact of the compensation expense increase from deferral adjustments for the Wealth Management business segment was $88 million.
(2) On October 31, 2014, the Firm completed a legal entity restructuring that included a change in tax status of Morgan Stanley Smith Barney Holdings LLC (MSSBH) from a partnership to a corporation. MSSBH is the holding company for the former Wealth Management JV. As a result of this change in tax status, the Firm's effective tax rate from continuing operations for the quarter ended December 31, 2014, include a net discrete tax benefit of approximately $1.4 billion primarily due to the release of a deferred tax liability which was previously established.
(3) Pre-tax profit margin percentages represent income from continuing operations before income taxes as a percentage of net revenues.

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(1) Annualized revenue per representative is defined as annualized revenue divided by average representative headcount.
(2) Fee-based client account assets represent the amount of assets in client accounts where the basis of payment for services is a fee calculated on those assets.
(3) Client assets per representative represents total client assets divided by period end representative headcount.
(4) Fee-based asset flows include net new fee-based assets, net account transfers, dividends, interest, and client fees and exclude cash management related activity.
(5) Wealth Management 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.
(6) For the quarters ended March 31, 2015, December 31, 2014, and March 31, 2014, the Firm owned held to maturity investment securities of $1.6 billion, $100 million and $0 million, respectively.

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(1) The quarters ended March 31, 2015, December 31, 2014 and March 31, 2014 include investment gains (losses) for certain funds included in the Firm's consolidated financial statements. The limited partnership interests in these gains were reported in net income (loss) applicable to noncontrolling interests. Beginning in the quarter ended June 30, 2014, net revenues reflect the deconsolidation of certain legal entities associated

with a real estate fund sponsored by the Firm.

(2) In the quarter ended December 31, 2014, the impact of the compensation expense increase from deferral adjustments for the Investment Management business segment was $145 million.

(3) Pre-tax profit margin percentages represent income from continuing operations before income taxes as a percentage of net revenues.

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End Notes

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(1) Real Estate Investing revenues within Merchant banking and Real Estate Investing includes gains or losses related to investments held by certain consolidated real estate funds. These gains or losses are offset in net income (loss) applicable to noncontrolling interest. The investment gains (losses) for the quarters ended March 31, 2015, December 31, 2014 and March 31, 2014 are $14 million, $11 million and $54 million, respectively. Beginning in the quarter ended June 30, 2014, net revenues reflect the deconsolidation of certain legal entities associated with a real estate fund sponsored by the Firm.

(2) Net Flows by region [inflow / (outflow)] for the quarters ended March 31, 2015, December 31, 2014, and March 31, 2014 were:
North America: $(1.5) billion, $3.7 billion and $3.9 billion
International: $2.8 billion, $(0.2) billion and $1.9 billion

(3) Assets under management or supervision by region for the quarters ended March 31, 2015, December 31, 2014, and March 31, 2014 were:
North America: $253 billion, $250 billion and $241 billion
International: $153 billion, $153 billion and $145 billion

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(1) For the quarters ended March 31, 2015, December 31, 2014 and March 31, 2014 the percentage of Institutional Securities corporate funded loans by credit rating was as follows:
- % investment grade: 43%, 39% and 44%
- % non-investment grade: 57%, 61% and 56%

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

(3) On March 31, 2015, December 31, 2014 and March 31, 2014, the "event-driven" portfolio of loans and lending commitments to non-investment grade borrowers were $13.2 billion, $11.6 billion and $ 9.7 billion, respectively.

(4) The Institutional Securities business segment engages in other lending activity. These activities include commercial and residential mortgage lending, asset-backed lending, corporate loans purchased in the secondary market, financing extended to equities and commodities customers, and loans to municipalities.

(5) For the quarters ended March 31, 2015, December 31, 2014 and March 31, 2014, Institutional Securities recorded a provision for credit losses (release) of $26.0 million, $12.5 million and $(31.0) million, respectively, related to funded loans and $36.4 million, $8.0 million and $18.5 million related to unfunded commitments, respectively.

(6) For the quarters ended March 31, 2015, December 31, 2014 and March 31, 2014, Wealth Management recorded a provision for credit losses of $0.4 million, $1.0 million and $2.0 million, respectively, related to funded loans and there was no material provision recorded related to the unfunded commitments for each of the quarterly periods presented.

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(1) Unvested share-based payment awards that contain non-forfeitable rights to dividends or dividend equivalents (whether paid or unpaid) are participating securities and are included in the computation of EPS pursuant to the two-class method. Restricted Stock Units ("RSUs") that pay dividend equivalents subject to vesting are not deemed participating securities and are included in diluted shares outstanding (if dilutive) under the treasury stock method.

(2) The percentage of weighted basic common shares and participating RSUs to the total weighted average of basic common shares and participating RSUs.

(3) Represents net income from continuing operations, gain (loss) from discontinued operations (after-tax), and net income applicable to Morgan Stanley for the quarter ended March 31, 2015 prior to allocations to participating RSUs.

(4) Distributed earnings represent the dividends paid for the quarter ended March 31, 2015. The amount of dividends paid is based upon the number of common shares and participating RSUs outstanding as of the dividend record date.

(5) The two-class method assumes all of the earnings for the reporting period are distributed and allocated to the participating RSUs what they would be entitled to based on their contractual rights and obligations of the participating security.

(6) Total income applicable to common shareholders to be allocated to the common shares in calculating basic and diluted EPS for common shares.

(7) Total income applicable to common shareholders to be allocated to the participating RSUs reflected as a deduction to the numerator in determining basic and diluted EPS for common shares.

(8) Basic and diluted EPS data are required to be presented only for classes of common stock, as described under the accounting guidance for earnings per share.

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Legal Notice

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