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): October 18, 2023

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
Depositary Shares, each representing 1/1,000th interest in a share of 4.250% Non-Cumulative Preferred Stock, Series O, $0.01 par value	MS/PO	New York Stock Exchange
Depositary Shares, each representing 1/1,000th interest in a share of 6.500% Non-Cumulative Preferred Stock, Series P, $0.01 par value	MS/PP	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
Global Medium-Term Notes, Series A, Floating Rate Notes Due 2029 of Morgan Stanley Finance LLC (and Registrant’s guarantee with respect thereto)	MS/29	New York Stock Exchange

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 October 18, 2023, Morgan Stanley (the "Company") released financial information with respect to its quarter ended September 30, 2023. 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 ended September 30, 2023 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.

(d)

Exhibit Number	Description
99.1	Press release of the Company, dated October 18, 2023, containing financial information for the quarter ended September 30, 2023
99.2	Financial Data Supplement of the Company for the quarter ended September 30, 2023
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: October 18, 2023

By: /s/ Raja Akram
Name: Raja Akram
Title: Deputy Chief Financial Officer

End of Document

Exhibit 99.1

Morgan Stanley Third Quarter 2023 Earnings Results

Morgan Stanley Reports Net Revenues of $13.3 Billion, EPS of $1.38 and ROTCE of 13.5%

NEW YORK, October 18, 2023 – Morgan Stanley (NYSE: MS) today reported net revenues of $13.3 billion for the third quarter ended September 30, 2023 compared to $13.0 billion a year ago. Net income applicable to Morgan Stanley was $2.4 billion, or $1.38 per diluted share,[1] compared to net income of $2.6 billion, or $1.47 per diluted share,[1] for the same period a year ago.

James P. Gorman, *Chairman and Chief Executive Officer, said, "While the market environment remained mixed this quarter, the Firm delivered solid results with an ROTCE of 13.5%. Our Equity and Fixed Income businesses navigated markets well, and both Wealth and Investment Management produced higher revenues and profits year-over-year. We completed the integration of E*TRADE in the quarter, further executing on our strategy of building revenue synergies across channels and attracting clients to our best-in-class advice offering. Our ability to gather assets, together with our strong capital position and leading client franchises, position us to deliver continued growth and strong shareholder returns going forward."*

Financial Summary[2, 3]

Firm ($ millions, except per share data)	3Q 2023	3Q 2022
Net revenues	$ 13,273	$ 12,986
Provision for credit losses	$ 134	$ 35
Compensation expense	$ 5,935	$ 5,614
Non-compensation expenses	$ 4,059	$ 3,949
Pre-tax income[7]	$ 3,145	$ 3,388
Net income app. to MS	$ 2,408	$ 2,632
Expense efficiency ratio[5]	75%	74%
Earnings per diluted share[1]	$ 1.38	$ 1.47
Book value per share	$ 55.08	$ 54.46
Tangible book value per share	$ 40.53	$ 39.93
Return on equity	10.0%	10.7%
Return on tangible equity[4]	13.5%	14.6%
Institutional Securities		
Net revenues	$ 5,669	$ 5,817
Investment Banking	$ 938	$ 1,277
Equity	$ 2,507	$ 2,459
Fixed Income	$ 1,947	$ 2,181
Wealth Management		
Net revenues	$ 6,404	$ 6,120
Fee-based client assets ($ billions)[8]	$ 1,857	$ 1,628
Fee-based asset flows ($ billions)[9]	$ 22.5	$ 16.7
Net new assets ($ billions)[10]	$ 35.7	$ 64.8
U.S. Bank loans ($ billions)	$ 145.8	$ 145.7
Investment Management		
Net revenues	$ 1,336	$ 1,168
AUM ($ billions)[11]	$ 1,388	$ 1,279
Long-term net flows ($ billions)[12]	$ (6.8)	$ (1.9)

Highlights

- The Firm reported net revenues of $13.3 billion and net income of $2.4 billion.
- The Firm delivered ROTCE of 13.5%.[4]
- The Firm expense efficiency ratio year-to-date was 75%.[5] The quarter included integration-related expenses of $68 million.
- Standardized Common Equity Tier 1 capital ratio was 15.5%.[15]
- Institutional Securities net revenues of $5.7 billion reflect solid results in Equity and Fixed Income and muted completed activity in Investment Banking.
- Wealth Management delivered a pre-tax margin of 26.7%.[6] Net revenues were $6.4 billion, reflecting increased asset management revenues on higher average asset levels compared to a year ago. The quarter included continued strong positive fee-based flows of $22.5 billion.[9]
- Investment Management net revenues of $1.3 billion increased compared to a year ago on higher asset management revenues and AUM of $1.4 trillion.[11]

Media Relations: Wesley McDade 212-761-2430

Investor Relations: Leslie Bazos 212-761-5352

Institutional Securities

Institutional Securities reported net revenues for the current quarter of $5.7 billion compared to $5.8 billion a year ago. Pre-tax income was $1.2 billion compared to $1.6 billion a year ago.[7]

Investment Banking revenues down 27% compared to a year ago:

- Advisory revenues decreased driven by fewer completed M&A transactions.
- Equity underwriting revenues increased primarily driven by higher block offerings, partially offset by lower revenues from IPOs.
- Fixed income underwriting revenues decreased primarily driven by lower event-driven non-investment grade activity.

Equity net revenues up 2% compared to a year ago:

- Equity net revenues reflected solid results across businesses. Mark-to-market gains on business-related investments compared to losses a year ago were offset by prime brokerage due to changes in the mix of client balances.

Fixed Income net revenues down 11% compared to a year ago:

- Fixed Income net revenues decreased as lower client activity and less favorable market conditions drove declines in rates and foreign exchange. These declines were partially offset by constructive trading environments in commodities, as well as agency and non-agency trading.

Other:

- Other revenues increased primarily driven by lower mark-to-market losses on corporate loans, net of loan hedges, and higher net interest income and fees from corporate loans.

($ millions)	3Q 2023	3Q 2022
Net Revenues	**$ 5,669**	**$ 5,817**
Investment Banking	**$ 938**	**$ 1,277**
Advisory	$ 449	$ 693
Equity underwriting	$ 237	$ 218
Fixed income underwriting	$ 252	$ 366
Equity	**$ 2,507**	**$ 2,459**
Fixed Income	**$ 1,947**	**$ 2,181**
Other	**$ 277**	**$ (100)**
Provision for credit losses	**$ 93**	**$ 24**
Total Expenses	**$ 4,377**	**$ 4,167**
Compensation	$ 2,057	$ 1,948
Non-compensation	$ 2,320	$ 2,219

Provision for credit losses:

- Provision for credit losses increased primarily driven by deteriorating conditions in the commercial real estate sector, including provisions for certain specific loans.

Total Expenses:

- Compensation expenses increased on higher discretionary compensation, partially offset by lower expenses related to outstanding deferred equity compensation.
- Non-compensation expenses increased primarily driven by higher execution-related, technology and professional services expenses.

Wealth Management

Wealth Management reported net revenues for the current quarter of $6.4 billion compared to $6.1 billion a year ago. Pre-tax income of $1.7 billion[7] in the current quarter resulted in a reported pre-tax margin of 26.7%.[6]

Net revenues increased 5% compared to a year ago:

- Asset management revenues increased 7% compared to a year ago reflecting higher average asset levels and the impact of cumulative positive fee-based asset flows.
- Transactional revenues[13] increased 7% excluding the impact of mark-to-market gains on investments associated with certain employee deferred compensation plans. The increase primarily reflects higher activity associated with alternative products compared to a year ago.
- Net interest income decreased 3% driven by changes in deposit mix, partially offset by higher interest rates.

Provision for credit losses:

- Provision for credit losses increased primarily driven by provisions for certain specific commercial real estate loans.

($ millions)	3Q 2023	3Q 2022
Net Revenues	**$ 6,404**	**$ 6,120**
Asset management	$ 3,629	$ 3,389
Transactional [13]	$ 678	$ 616
Net interest income	$ 1,952	$ 2,004
Other	$ 145	$ 111
Provision for credit losses	**$ 41**	**$ 11**
Total Expenses	**$ 4,654**	**$ 4,460**
Compensation	$ 3,352	$ 3,171
Non-compensation	$ 1,302	$ 1,289

Total Expenses:

- Compensation expense increased driven by higher compensable revenues and expenses related to certain deferred compensation plans linked to investment performance.

Investment Management

Investment Management reported net revenues of $1.3 billion, up 14% compared to a year ago. Pre-tax income was $241 million compared to $116 million a year ago.[7]

Net revenues increased 14% compared to a year ago:

- Asset management and related fees increased on higher average AUM driven by increased asset values.
- Performance-based income and other revenues increased due to higher carried interest and mark-to-market gains in certain of our private funds compared to losses a year ago.

($ millions)	3Q 2023	3Q 2022
Net Revenues	**$ 1,336**	**$ 1,168**
Asset management and related fees	$ 1,312	$ 1,269
Performance-based income and other	$ 24	$ (101)
Total Expenses	**$ 1,095**	**$ 1,052**
Compensation	$ 526	$ 495
Non-compensation	$ 569	$ 557

Total Expenses:

- Compensation expense increased primarily driven by higher compensation associated with carried interest.

Other Matters

- The Firm repurchased $1.5 billion of its outstanding common stock during the quarter as part of its Share Repurchase Program.
- The Board of Directors declared a $0.85 quarterly dividend per share, payable on November 15, 2023 to common shareholders of record on October 31, 2023.
- Standardized Common Equity Tier 1 capital ratio was 15.5%, approximately 260 basis points above the aggregate standardized approach CET1 requirement that took effect as of October 1, 2023.

	3Q 2023	3Q 2022
Capital[14]		
Standardized Approach		
CET1 capital[15]	15.5%	14.8%
Tier 1 capital[15]	17.5%	16.7%
Advanced Approach		
CET1 capital[15]	16.1%	15.2%
Tier 1 capital[15]	18.1%	17.1%
Leverage-based capital		
Tier 1 leverage[16]	6.7%	6.6%
SLR[17]	5.5%	5.4%
Common Stock Repurchases		
Repurchases ($ millions)	$ 1,500	$ 2,555
Number of Shares (millions)	17	30
Average Price	$ 87.59	$ 85.79
Period End Shares (millions)	1,642	1,694
Effective Tax Rate	22.6%	21.4%

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 42 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, including information provided on the Firm's earnings conference calls, may include certain non-GAAP financial measures. The definition of such measures or reconciliation of such measures 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 may contain 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. For a discussion of risks and uncertainties that may affect the future results of the Firm, please see "Forward-Looking Statements" 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 in the Firm's Annual Report on Form 10-K for the year ended December 31, 2022 and other items throughout the Form 10-K, the Firm's Quarterly Reports on Form 10-Q and the Firm's Current Reports on Form 8-K, including any amendments thereto.

[1] Includes preferred dividends related to the calculation of earnings per share of $146 million and $138 million for the third quarter of 2023 and 2022, 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, analysts, investors, 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 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 and capital adequacy. The calculation of return on average tangible common equity represents full year or annualized net income 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 expense efficiency ratio represents total non-interest expenses as a percentage of net revenues. For the quarter ended September 30, 2023, Firm results include pre-tax integration-related expenses of $68 million, of which $43 million is reported in the Wealth Management business segment and $25 million is reported in the Investment Management business segment.

[6] Pre-tax margin represents income before provision for income taxes divided by net revenues.

[7] Pre-tax income represents income before provision for income taxes.

[8] 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.

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

[10] Wealth Management net new assets represent client inflows, including dividends and interest, and asset acquisitions, less client outflows, and exclude activity from business combinations/divestitures and the impact of fees and commissions.

[11] AUM is defined as assets under management.

[12] Long-term net flows include the Equity, Fixed Income and Alternative and Solutions asset classes and excludes the Liquidity and Overlay Services asset class.

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

[14] Capital ratios are estimates as of the press release date, October 18, 2023.

[15] 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 Annual Report on Form 10-K for the year ended December 31, 2022 (2022 Form 10-K).

[16] 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.

[17] The Firm’s supplementary leverage ratio (SLR) utilizes a Tier 1 capital numerator of approximately $77.7 billion and $76.4 billion, and supplementary leverage exposure denominator of approximately $1.42 trillion and $1.41 trillion, for the third quarter of 2023 and 2022, respectively.

Morgan Stanley

Consolidated Income Statement Information
(unaudited, dollars in millions)

	Quarter Ended			Percentage Change From:		Nine Months Ended		Percentage
	Sep 30, 2023	Jun 30, 2023	Sep 30, 2022	Jun 30, 2023	Sep 30, 2022	Sep 30, 2023	Sep 30, 2022	Change
Revenues:								
Investment banking	$ 1,048	$ 1,155	$ 1,373	(9%)	(24%)	$ 3,533	$ 4,281	(17%)
Trading	3,679	3,802	3,331	(3%)	10%	11,958	10,911	10%
Investments	144	95	(168)	52%	*	384	(70)	*
Commissions and fees	1,098	1,090	1,133	1%	(3%)	3,427	3,769	(9%)
Asset management	5,031	4,817	4,744	4%	6%	14,576	14,775	(1%)
Other	296	488	63	(39%)	*	1,036	245	*
Total non-interest revenues	11,296	11,447	10,476	(1%)	8%	34,914	33,911	3%
Interest income	13,305	12,048	6,101	10%	118%	36,223	12,363	193%
Interest expense	11,328	10,038	3,591	13%	*	29,890	5,355	*
Net interest	1,977	2,010	2,510	(2%)	(21%)	6,333	7,008	(10%)
Net revenues	13,273	13,457	12,986	(1%)	2%	41,247	40,919	1%
Provision for credit losses	134	161	35	(17%)	*	529	193	174%
Non-interest expenses:								
Compensation and benefits	5,935	6,262	5,614	(5%)	6%	18,607	17,438	7%
Non-compensation expenses:								
Brokerage, clearing and exchange fees	855	875	847	(2%)	1%	2,611	2,607	--
Information processing and communications	947	926	874	2%	8%	2,788	2,560	9%
Professional services	759	767	755	(1%)	1%	2,236	2,217	1%
Occupancy and equipment	456	471	429	(3%)	6%	1,367	1,286	6%
Marketing and business development	191	236	215	(19%)	(11%)	674	610	10%
Other	851	947	829	(10%)	3%	2,718	2,713	--
Total non-compensation expenses	4,059	4,222	3,949	(4%)	3%	12,394	11,993	3%
Total non-interest expenses	9,994	10,484	9,563	(5%)	5%	31,001	29,431	5%
Income before provision for income taxes	3,145	2,812	3,388	12%	(7%)	9,717	11,295	(14%)
Provision for income taxes	710	591	726	20%	(2%)	2,028	2,382	(15%)
Net income	$ 2,435	$ 2,221	$ 2,662	10%	(9%)	$ 7,689	$ 8,913	(14%)
Net income applicable to nonredeemable noncontrolling interests	27	39	30	(31%)	(10%)	119	120	(1%)
Net income applicable to Morgan Stanley	2,408	2,182	2,632	10%	(9%)	7,570	8,793	(14%)
Preferred stock dividend	146	133	138	10%	6%	423	366	16%
Earnings applicable to Morgan Stanley common shareholders	$ 2,262	$ 2,049	$ 2,494	10%	(9%)	$ 7,147	$ 8,427	(15%)

Notes:

- Firm net revenues excluding mark-to-market gains and losses on deferred cash-based compensation plans (DCP) were: 3Q23: $13,475 million, 2Q23: $13,343 million, 3Q22: $13,222 million, 3Q23 YTD: $41,182 million, 3Q22 YTD: $42,311 million.
- Firm compensation expenses excluding DCP were: 3Q23: $5,992 million, 2Q23: $6,084 million, 3Q22: $5,733 million, 3Q23 YTD: $18,293 million, 3Q22 YTD: $18,343 million.
- The End Notes are an integral part of this presentation. Refer to pages 12 - 17 of the Financial Supplement for Definition of U.S. GAAP to Non-GAAP Measures, Definition of Performance Metrics and Terms, Supplemental Quantitative Details and Calculations, and Legal Notice.

Morgan Stanley

Consolidated Financial Metrics, Ratios and Statistical Data
(unaudited)

	Quarter Ended			Percentage Change From:		Nine Months Ended		Percentage
	Sep 30, 2023	Jun 30, 2023	Sep 30, 2022	Jun 30, 2023	Sep 30, 2022	Sep 30, 2023	Sep 30, 2022	Change
Financial Metrics:								
Earnings per basic share	$ 1.39	$ 1.25	$ 1.49	11%	(7%)	$ 4.37	$ 4.95	(12%)
Earnings per diluted share	$ 1.38	$ 1.24	$ 1.47	11%	(6%)	$ 4.33	$ 4.88	(11%)
Return on average common equity	10.0%	8.9%	10.7%			10.5%	11.9%	
Return on average tangible common equity	13.5%	12.1%	14.6%			14.2%	16.1%	
Book value per common share	$ 55.08	$ 55.24	$ 54.46			$ 55.08	$ 54.46	
Tangible book value per common share	$ 40.53	$ 40.79	$ 39.93			$ 40.53	$ 39.93	
Financial Ratios:								
Pre-tax profit margin	24%	21%	26%			24%	28%	
Compensation and benefits as a % of net revenues	45%	47%	43%			45%	43%	
Non-compensation expenses as a % of net revenues	31%	31%	30%			30%	29%	
Firm expense efficiency ratio	75%	78%	74%			75%	72%	
Effective tax rate	22.6%	21.0%	21.4%			20.9%	21.1%	
Statistical Data:								
Period end common shares outstanding (millions)	1,642	1,659	1,694	(1%)	(3%)			
Average common shares outstanding (millions)								
Basic	1,624	1,635	1,674	(1%)	(3%)	1,635	1,704	(4%)
Diluted	1,643	1,651	1,697	--	(3%)	1,653	1,725	(4%)
Worldwide employees	80,710	82,006	81,567	(2%)	(1%)			

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

End of Document

Exhibit 99.2

Third Quarter 2023 Earnings Results

Quarterly Financial Supplement	Page

Consolidated Financial Summary
(unaudited, dollars in millions)

	Quarter Ended			Percentage Change From:		Nine Months Ended		Percentage
	Sep 30, 2023	Jun 30, 2023	Sep 30, 2022	Jun 30, 2023	Sep 30, 2022	Sep 30, 2023	Sep 30, 2022	Change
Net revenues								
Institutional Securities	$ 5,669	$ 5,654	$ 5,817	--	(3%)	$ 18,120	$ 19,593	(8%)
Wealth Management	6,404	6,660	6,120	(4%)	5%	19,623	17,791	10%
Investment Management	1,336	1,281	1,168	4%	14%	3,906	3,914	--
Intersegment Eliminations	(136)	(138)	(119)	1%	(14%)	(402)	(379)	(6%)
Net revenues (1)	$ 13,273	$ 13,457	$ 12,986	(1%)	2%	$ 41,247	$ 40,919	1%
Provision for credit losses	$ 134	$ 161	$ 35	(17%)	*	$ 529	$ 193	174%
Non-interest expenses								
Institutional Securities	$ 4,377	$ 4,580	$ 4,167	(4%)	5%	$ 13,673	$ 13,476	1%
Wealth Management	4,654	4,915	4,460	(5%)	4%	14,371	13,005	11%
Investment Management	1,095	1,111	1,052	(1%)	4%	3,329	3,321	--
Intersegment Eliminations	(132)	(122)	(116)	(8%)	(14%)	(372)	(371)	--
Non-interest expenses (1)(2)	$ 9,994	$ 10,484	$ 9,563	(5%)	5%	$ 31,001	$ 29,431	5%
Income before provision for income taxes								
Institutional Securities	$ 1,199	$ 977	$ 1,626	23%	(26%)	$ 4,068	$ 5,967	(32%)
Wealth Management	1,709	1,681	1,649	2%	4%	5,102	4,743	8%
Investment Management	241	170	116	42%	108%	577	593	(3%)
Intersegment Eliminations	(4)	(16)	(3)	75%	(33%)	(30)	(8)	*
Income before provision for income taxes	$ 3,145	$ 2,812	$ 3,388	12%	(7%)	$ 9,717	$ 11,295	(14%)
Net Income applicable to Morgan Stanley								
Institutional Securities	$ 912	$ 759	$ 1,274	20%	(28%)	$ 3,149	$ 4,586	(31%)
Wealth Management	1,320	1,308	1,253	1%	5%	4,004	3,715	8%
Investment Management	179	127	107	41%	67%	440	498	(12%)
Intersegment Eliminations	(3)	(12)	(2)	75%	(50%)	(23)	(6)	*
Net Income applicable to Morgan Stanley	$ 2,408	$ 2,182	$ 2,632	10%	(9%)	$ 7,570	$ 8,793	(14%)
Earnings applicable to Morgan Stanley common shareholders	$ 2,262	$ 2,049	$ 2,494	10%	(9%)	$ 7,147	$ 8,427	(15%)

Notes:
- Firm net revenues excluding mark-to-market gains and losses on deferred cash-based compensation plans (DCP) were: 3Q23: $13,475 million, 2Q23: $13,343 million, 3Q22: $13,222 million, 3Q23 YTD: $41,182 million, 3Q22 YTD: $42,311 million.
- Firm compensation expenses excluding DCP were: 3Q23: $5,992 million, 2Q23: $6,084 million, 3Q22: $5,733 million, 3Q23 YTD: $18,293 million, 3Q22 YTD: $18,343 million.
- The End Notes are an integral part of this presentation. See pages 12 - 17 for Definition of U.S. GAAP to Non-GAAP Measures, Definition 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:		Nine Months Ended		Percentage
	Sep 30, 2023	Jun 30, 2023	Sep 30, 2022	Jun 30, 2023	Sep 30, 2022	Sep 30, 2023	Sep 30, 2022	Change
Financial Metrics:								
Earnings per basic share	$ 1.39	$ 1.25	$ 1.49	11%	(7%)	$ 4.37	$ 4.95	(12%)
Earnings per diluted share	$ 1.38	$ 1.24	$ 1.47	11%	(6%)	$ 4.33	$ 4.88	(11%)
Return on average common equity	10.0%	8.9%	10.7%			10.5%	11.9%	
Return on average tangible common equity	13.5%	12.1%	14.6%			14.2%	16.1%	
Book value per common share	$ 55.08	$ 55.24	$ 54.46			$ 55.08	$ 54.46	
Tangible book value per common share	$ 40.53	$ 40.79	$ 39.93			$ 40.53	$ 39.93	
Financial Ratios:								
Pre-tax profit margin	24%	21%	26%			24%	28%	
Compensation and benefits as a % of net revenues	45%	47%	43%			45%	43%	
Non-compensation expenses as a % of net revenues	31%	31%	30%			30%	29%	
Firm expense efficiency ratio[1]	75%	78%	74%			75%	72%	
Effective tax rate	22.6%	21.0%	21.4%			20.9%	21.1%	
Statistical Data:								
Period end common shares outstanding (millions)	1,642	1,659	1,694	(1%)	(3%)			
Average common shares outstanding (millions)								
Basic	1,624	1,635	1,674	(1%)	(3%)	1,635	1,704	(4%)
Diluted	1,643	1,651	1,697	--	(3%)	1,653	1,725	(4%)
Worldwide employees	80,710	82,006	81,567	(2%)	(1%)			

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

	Quarter Ended			Percentage Change From:		Nine Months Ended		Percentage
	Sep 30, 2023	Jun 30, 2023	Sep 30, 2022	Jun 30, 2023	Sep 30, 2022	Sep 30, 2023	Sep 30, 2022	Change
Consolidated Balance sheet								
Total assets	$ 1,169,013	$ 1,164,911	$ 1,160,029	--	1%			
Loans (1)	$ 224,957	$ 224,276	$ 218,448	--	3%			
Deposits	$ 345,458	$ 348,511	$ 338,123	(1%)	2%			
Long-term debt outstanding	$ 242,843	$ 243,820	$ 216,361	--	12%			
Maturities of long-term debt outstanding (next 12 months)	$ 21,514	$ 22,326	$ 18,755	(4%)	15%			
Average liquidity resources	$ 307,367	$ 310,724	$ 308,001	(1%)	--			
Common equity	$ 90,461	$ 91,636	$ 92,261	(1%)	(2%)			
Less: Goodwill and intangible assets	(23,900)	(23,973)	(24,613)	--	(3%)			
Tangible common equity	$ 66,561	$ 67,663	$ 67,648	(2%)	(2%)			
Preferred equity	$ 8,750	$ 8,750	$ 8,750	--	--			
U.S. Bank Supplemental Financial Information								
Total assets	$ 388,098	$ 385,596	$ 371,165	1%	5%			
Loans	$ 209,135	$ 209,065	$ 204,889	--	2%			
Investment securities portfolio (2)	$ 114,780	$ 119,289	$ 123,007	(4%)	(7%)			
Deposits	$ 339,927	$ 342,522	$ 331,943	(1%)	2%			
Regional revenues								
Americas	$ 10,268	$ 10,394	$ 10,094	(1%)	2%	$ 31,453	$ 30,220	4%
EMEA (Europe, Middle East, Africa)	1,479	1,500	1,392	(1%)	6%	4,716	5,381	(12%)
Asia	1,526	1,563	1,500	(2%)	2%	5,078	5,318	(5%)
Consolidated net revenues	$ 13,273	$ 13,457	$ 12,986	(1%)	2%	$ 41,247	$ 40,919	1%

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Morgan Stanley

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

	Quarter Ended			Percentage Change From:		Nine Months Ended		Percentage
	Sep 30, 2023	Jun 30, 2023	Sep 30, 2022	Jun 30, 2023	Sep 30, 2022	Sep 30, 2023	Sep 30, 2022	Change
Average Common Equity								
Institutional Securities	$ 45.6	$ 45.6	$ 48.8	--	(7%)	$ 45.6	$ 48.8	(7%)
Wealth Management	28.8	28.8	31.0	--	(7%)	28.8	31.0	(7%)
Investment Management	10.4	10.4	10.6	--	(2%)	10.4	10.6	(2%)
Parent	6.0	6.8	2.5	(12%)	140%	6.3	4.3	47%
Firm	$ 90.8	$ 91.6	$ 92.9	(1%)	(2%)	$ 91.1	$ 94.7	(4%)
Regulatory Capital								
Common Equity Tier 1 capital	$ 69.1	$ 69.9	$ 67.9	(1%)	2%			
Tier 1 capital	$ 77.7	$ 78.4	$ 76.4	(1%)	2%			
Standardized Approach								
Risk-weighted assets	$ 444.8	$ 449.8	$ 457.9	(1%)	(3%)			
Common Equity Tier 1 capital ratio	15.5%	15.5%	14.8%					
Tier 1 capital ratio	17.5%	17.4%	16.7%					
Advanced Approach								
Risk-weighted assets	$ 430.0	$ 441.9	$ 447.8	(3%)	(4%)			
Common Equity Tier 1 capital ratio	16.1%	15.8%	15.2%					
Tier 1 capital ratio	18.1%	17.8%	17.1%					
Leverage-based capital								
Tier 1 leverage ratio	6.7%	6.7%	6.6%					
Supplementary Leverage Ratio	5.5%	5.5%	5.4%					

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

	Quarter Ended			Percentage Change From:		Nine Months Ended		Percentage
	Sep 30, 2023	Jun 30, 2023	Sep 30, 2022	Jun 30, 2023	Sep 30, 2022	Sep 30, 2023	Sep 30, 2022	Change
Revenues:								
Advisory	$ 449	$ 455	$ 693	(1%)	(35%)	$ 1,542	$ 2,235	(31%)
Equity	237	225	218	5%	9%	664	624	6%
Fixed income	252	395	366	(36%)	(31%)	1,054	1,124	(6%)
Underwriting	489	620	584	(21%)	(16%)	1,718	1,748	(2%)
Investment banking	938	1,075	1,277	(13%)	(27%)	3,260	3,983	(18%)
Equity	2,507	2,548	2,459	(2%)	2%	7,784	8,593	(9%)
Fixed income	1,947	1,716	2,181	13%	(11%)	6,239	7,604	(18%)
Other	277	315	(100)	(12%)	*	837	(587)	*
Net revenues	5,669	5,654	5,817	--	(3%)	18,120	19,593	(8%)
Provision for credit losses	93	97	24	(4%)	*	379	150	153%
Compensation and benefits	2,057	2,215	1,948	(7%)	6%	6,637	6,602	1%
Non-compensation expenses	2,320	2,365	2,219	(2%)	5%	7,036	6,874	2%
Total non-interest expenses	4,377	4,580	4,167	(4%)	5%	13,673	13,476	1%
Income before provision for income taxes	1,199	977	1,626	23%	(26%)	4,068	5,967	(32%)
Net income applicable to Morgan Stanley	$ 912	$ 759	$ 1,274	20%	(28%)	$ 3,149	$ 4,586	(31%)
Pre-tax profit margin	21%	17%	28%			22%	30%	
Compensation and benefits as a % of net revenues	36%	39%	34%			37%	34%	
Non-compensation expenses as a % of net revenues	41%	42%	38%			39%	35%	
Return on Average Common Equity	7%	6%	10%			8%	12%	
Return on Average Tangible Common Equity(1)	7%	6%	10%			8%	12%	
Trading VaR (Average Daily 95% / One-Day VaR)	$ 48	$ 52	$ 61					

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

	Quarter Ended			Percentage Change From:		Nine Months Ended		Percentage
	Sep 30, 2023	Jun 30, 2023	Sep 30, 2022	Jun 30, 2023	Sep 30, 2022	Sep 30, 2023	Sep 30, 2022	Change
Revenues:								
Asset management	$ 3,629	$ 3,452	$ 3,389	5%	7%	$ 10,463	$ 10,525	(1%)
Transactional	678	869	616	(22%)	10%	2,468	1,542	60%
Net interest income	1,952	2,156	2,004	(9%)	(3%)	6,266	5,291	18%
Other	145	183	111	(21%)	31%	426	433	(2%)
Net revenues (1)	6,404	6,660	6,120	(4%)	5%	19,623	17,791	10%
Provision for credit losses	41	64	11	(36%)	*	150	43	*
Compensation and benefits (1)	3,352	3,503	3,171	(4%)	6%	10,332	9,191	12%
Non-compensation expenses	1,302	1,412	1,289	(8%)	1%	4,039	3,814	6%
Total non-interest expenses	4,654	4,915	4,460	(5%)	4%	14,371	13,005	11%
Income before provision for income taxes	1,709	1,681	1,649	2%	4%	5,102	4,743	8%
Net income applicable to Morgan Stanley	$ 1,320	$ 1,308	$ 1,253	1%	5%	$ 4,004	$ 3,715	8%
Pre-tax profit margin	27%	25%	27%			26%	27%	
Compensation and benefits as a % of net revenues	52%	53%	52%			53%	52%	
Non-compensation expenses as a % of net revenues	20%	21%	21%			21%	21%	
Return on Average Common Equity	18%	18%	16%			18%	16%	
Return on Average Tangible Common Equity (2)	35%	34%	30%			35%	30%	

Notes:
- Wealth Management net revenues excluding DCP were: 3Q23: $6,547 million, 2Q23: $6,578 million, 3Q22: $6,273 million, 3Q23 YTD: $19,583 million, 3Q22 YTD: $18,755 million.
- Wealth Management compensation expenses excluding DCP were: 3Q23: $3,400 million, 2Q23: $3,396 million, 3Q22: $3,257 million, 3Q23 YTD: $10,154 million, 3Q22 YTD: $9,836 million.
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Wealth Management
Financial Information and Statistical Data
(unaudited, dollars in billions)

	Quarter Ended			Percentage Change From:	
	Sep 30, 2023	Jun 30, 2023	Sep 30, 2022	Jun 30, 2023	Sep 30, 2022
Wealth Management Metrics					
Total client assets	$ 4,798	$ 4,885	$ 4,134	(2%)	16%
Net new assets	$ 35.7	$ 89.5	$ 64.8	(60%)	(45%)
U.S. Bank loans	$ 145.8	$ 144.7	$ 145.7	1%	--
Margin and other lending[1]	$ 23.1	$ 21.7	$ 24.3	6%	(5%)
Deposits [2]	$ 340	$ 343	$ 332	(1%)	2%
Annualized weighted average cost of deposits					
Period end	2.86%	2.53%	0.93%		
Period average	2.69%	2.32%	0.56%		
Advisor-led channel					
Advisor-led client assets	$ 3,755	$ 3,784	$ 3,305	(1%)	14%
Fee-based client assets	$ 1,857	$ 1,856	$ 1,628	--	14%
Fee-based asset flows	$ 22.5	$ 22.7	$ 16.7	(1%)	35%
Fee-based assets as a % of advisor-led client assets	49%	49%	49%		
Self-directed channel					
Self-directed client assets	$ 1,043	$ 1,101	$ 829	(5%)	26%
Daily average revenue trades (000's)	735	765	805	(4%)	(9%)
Self-directed households (millions)	8.1	8.1	7.8	--	4%
Workplace channel					
Stock plan unvested assets	$ 377	$ 402	$ 312	(6%)	21%
Number of stock plan participants (millions)	6.6	6.5	6.2	2%	6%

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

	Quarter Ended			Percentage Change From:		Nine Months Ended		Percentage
	Sep 30, 2023	Jun 30, 2023	Sep 30, 2022	Jun 30, 2023	Sep 30, 2022	Sep 30, 2023	Sep 30, 2022	Change
Revenues:								
Asset management and related fees	$ 1,312	$ 1,268	$ 1,269	3%	3%	$ 3,828	$ 3,961	(3%)
Performance-based income and other	24	13	(101)	85%	*	78	(47)	*
Net revenues	1,336	1,281	1,168	4%	14%	3,906	3,914	--
Compensation and benefits	526	544	495	(3%)	6%	1,638	1,645	--
Non-compensation expenses	569	567	557	--	2%	1,691	1,676	1%
Total non-interest expenses	1,095	1,111	1,052	(1%)	4%	3,329	3,321	--
Income before provision for income taxes	241	170	116	42%	108%	577	593	(3%)
Net income applicable to Morgan Stanley	$ 179	$ 127	$ 107	41%	67%	$ 440	$ 498	(12%)
Pre-tax profit margin	18%	13%	10%			15%	15%	
Compensation and benefits as a % of net revenues	39%	42%	42%			42%	42%	
Non-compensation expenses as a % of net revenues	43%	44%	48%			43%	43%	
Return on Average Common Equity	7%	5%	4%			6%	6%	
Return on Average Tangible Common Equity (1)	98%	70%	56%			80%	87%	

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

	Quarter Ended			Percentage Change From:		Nine Months Ended		Percentage
	Sep 30, 2023	Jun 30, 2023	Sep 30, 2022	Jun 30, 2023	Sep 30, 2022	Sep 30, 2023	Sep 30, 2022	Change
Assets under management or supervision (AUM)[1]								
Net flows by asset class								
Equity	$ (5.5)	$ (5.3)	$ (3.9)	(4%)	(41%)	$ (12.9)	$ (18.8)	31%
Fixed Income	(2.1)	(5.0)	(5.0)	58%	58%	(9.1)	(11.5)	21%
Alternatives and Solutions	0.8	11.4	7.0	(93%)	(89%)	13.9	10.5	32%
Long-Term Net Flows	(6.8)	1.1	(1.9)	*	*	(8.1)	(19.8)	59%
Liquidity and Overlay Services	5.7	9.7	(32.5)	(41%)	*	29.3	(29.3)	*
Total Net Flows	$ (1.1)	$ 10.8	$ (34.4)	*	97%	$ 21.2	$ (49.1)	*
Assets under management or supervision by asset class								
Equity	$ 272	$ 289	$ 249	(6%)	9%			
Fixed Income	163	165	171	(1%)	(5%)			
Alternatives and Solutions	472	482	405	(2%)	17%			
Long-Term Assets Under Management or Supervision	$ 907	$ 936	$ 825	(3%)	10%			
Liquidity and Overlay Services	481	476	454	1%	6%			
Total Assets Under Management or Supervision	$ 1,388	$ 1,412	$ 1,279	(2%)	9%			

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

	Quarter Ended			Percentage Change From:	
	Sep 30, 2023	Jun 30, 2023	Sep 30, 2022	Jun 30, 2023	Sep 30, 2022
Institutional Securities					
Loans:					
Corporate	$ 18.0	$ 17.8	$ 14.3	1%	26%
Secured lending facilities	41.8	41.2	38.3	1%	9%
Commercial and residential real estate	11.4	12.1	11.8	(6%)	(3%)
Securities-based lending and other	7.4	8.1	7.8	(9%)	(5%)
Total Loans	78.6	79.2	72.2	(1%)	9%
Lending Commitments	128.7	127.1	119.7	1%	8%
Institutional Securities Loans and Lending Commitments	$ 207.3	$ 206.3	$ 191.9	--	8%
Wealth Management					
Loans:					
Securities-based lending and other	$ 87.0	$ 87.6	$ 93.0	(1%)	(6%)
Residential real estate	58.9	57.1	52.8	3%	12%
Total Loans	145.9	144.7	145.8	1%	--
Lending Commitments	19.1	18.8	16.9	2%	13%
Wealth Management Loans and Lending Commitments	$ 165.0	$ 163.5	$ 162.7	1%	1%
Consolidated Loans and Lending Commitments (1)	$ 372.3	$ 369.8	$ 354.6	1%	5%

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Consolidated Loans and Lending Commitments
Allowance for Credit Losses (ACL) as of September 30, 2023
(unaudited, dollars in millions)

	Loans and Lending Commitments *(Gross)*	ACL[1]	ACL %	Q3 Provision
Loans:				
Held For Investment (HFI)				
Corporate	$ 7,181	$ 248	3.5%	$ (6)
Secured lending facilities	39,119	154	0.4%	(1)
Commercial and residential real estate	8,389	426	5.1%	84
Other	3,039	17	0.6%	3
Institutional Securities - HFI	$ 57,728	$ 845	1.5%	$ 80
Wealth Management - HFI	146,167	312	0.2%	43
Held For Investment	$ 203,895	$ 1,157	0.6%	$ 123
Held For Sale	14,230			
Fair Value	7,558			
Total Loans	225,683	1,157		123
Lending Commitments	147,800	569	0.4%	11
Consolidated Loans and Lending Commitments	$ 373,483	$ 1,726		$ 134

The End Notes are an integral part of this presentation. See pages 12 - 17 for Definition of U.S. GAAP to Non-GAAP Measures, Definition 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, 2022 (2022 Form 10-K).

(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:

- The return on average tangible common equity represents annualized earnings applicable to Morgan Stanley common shareholders as a percentage of average tangible common equity.
- 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.
- Net revenues excluding DCP represents net revenues adjusted for the impact of mark-to-market gains/losses on economic hedges associated with certain employee deferred cash-based compensation plans.
- Compensation expense excluding DCP represents compensation adjusted for the impact related to certain deferred cash-based compensation plans linked to investment performance.

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, analysts, investors and other stakeholders by providing further transparency about, or an additional means of assessing, our financial condition and operating results.

Page 1:
(a) Provision for credit losses represents the provision for credit losses on loans held for investment and unfunded lending commitments.
(b) Net income applicable to Morgan Stanley represents net income, less net income applicable to nonredeemable noncontrolling interests.
(c) 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 provision for 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 primarily held within the Parent and its major 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. Average Liquidity Resources represents the average daily balance for the three months ended September 30, 2023, June 30, 2023 and September 30, 2022.
(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, 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 23 to the consolidated financial statements included in the Firm's 2022 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). The Firm continues to evaluate its Required Capital Framework with respect to the impact of evolving regulatory requirements, as appropriate. For further discussion of the framework, refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Regulatory Requirements" in the Firm's 2022 Form 10‑K.
(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 2022 Form 10‑K.
(c) Supplementary leverage ratio represents Tier 1 capital divided by the total supplementary leverage exposure.

Page 5:
(a) Institutional Securities Equity and Fixed income net revenues include trading, net interest income (interest income less interest expense), asset management, commissions and fees, investments and other revenues which are directly attributable to those businesses.
(b) Pre-tax profit margin percentages represent income before provision for 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 2022 Form 10-K.

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 provision for income taxes as percentages 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, analysts, investors and other stakeholders by providing further transparency about, or an additional means of assessing, our financial condition and operating results.

Page 7:

(a) Client assets represent those for which Wealth Management is providing services including financial advisor-led brokerage, custody, administrative and investment advisory services; self-directed brokerage services; financial and wealth planning services; workplace services, including stock plan administration, and retirement plan services.
(b) Net new assets represent client inflows, including dividends and interest, and asset acquisitions, less client outflows, and exclude activity from business combinations/divestitures and the impact of fees and commissions.
(c) Margin and other lending represents margin lending arrangements, which allow customers to borrow against the value of qualifying securities and other lending which includes non - purpose securities-based lending on non - bank entities.
(d) Deposits reflect liabilities sourced from Wealth Management clients and other sources of funding on the U.S. Bank Subsidiaries. Deposits include sweep deposit programs, savings and other, and time deposits.
(e) Annualized weighted average cost of deposits represents the total annualized weighted average cost of the various deposit products, excluding the effect of related hedging derivatives. The period end cost of deposits is based upon balances and rates as of September 30, 2023, June 30, 2023 and September 30, 2022. The period average is based on both daily average deposit balances and rates for the period.
(f) Advisor-led client assets represent client assets in accounts that have a Wealth Management representative assigned.
(g) 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.
(h) Fee-based asset flows include net new fee-based assets (including asset acquisitions), net account transfers, dividends, interest and client fees, and exclude institutional cash management related activity. For a description of the Inflows and Outflows included in Fee-based asset flows, see Fee-based client assets in the 2022 Form 10-K.
(i) Self-directed client assets represent active accounts which are not advisor led. Active accounts are defined as having at least $25 in assets.
(j) Daily average revenue trades (DARTs) represent the total self-directed trades in a period divided by the number of trading days during that period.
(k) Self-directed households represent the total number of households that include at least one account with self-directed client assets. Individual households or participants that are engaged in one or more of our Wealth Management channels are included in each of the respective channel counts.
(l) The workplace channel assets includes equity compensation solutions for companies, their executives and employees. Stock plan unvested assets represent the market value of public company securities at the end of the period.
(m) Stock plan participants represent total accounts with vested and/or unvested stock plan assets in the workplace channel. Individuals with accounts in multiple plans are counted as participants in each plan.

Page 8:

(a) Asset management and related fees represents management and administrative fees, distribution fees, and performance-based fees, not in the form of carried interest. Asset management and related fees represents Asset management as reported on the Firm's consolidated income statement.
(b) Performance-based income and other includes performance-based fees in the form of carried interest, gains and losses from investments, gains and losses from hedges on seed capital and certain employee deferred compensation plans, net interest, and other revenues. Performance-based income and other represents investments, investment banking, trading, net interest and other revenues as reported on the Firm's consolidated income statement.
(c) Pre-tax profit margin percentages represent income before provision for income taxes as percentages of net revenues.

Page 9:

(a) Investment Management Alternatives and Solutions asset class includes products in Fund of Funds, Real Estate, Private Equity and Credit strategies, Multi - Asset portfolios, as well as Custom Separate Account 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) Overlay Services represents investment strategies that use passive exposure instruments to obtain, offset, or substitute specific portfolio exposures beyond those provided by the underlying holdings of the fund.
(d) 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 following sets forth the net revenue impact of mark-to-market gains and losses on investments associated with DCP and compensation expense impact related to DCP:

	3Q23	2Q23	3Q22	3Q23 YTD	3Q22 YTD
Net revenues	$ 13,273	$ 13,457	$ 12,986	$ 41,247	$ 40,919
Adjustment for mark-to-market on DCP	202	(114)	236	(65)	1,392
Adjusted Net revenues - non-GAAP	$ 13,475	$ 13,343	$ 13,222	$ 41,182	$ 42,311
Compensation expense	$ 5,935	$ 6,262	$ 5,614	$ 18,607	$ 17,438
Adjustment for mark-to-market on DCP	57	(178)	119	(314)	905
Adjusted Compensation expense - non-GAAP	$ 5,992	$ 6,084	$ 5,733	$ 18,293	$ 18,343

- Compensation expense for deferred cash-based compensation awards is calculated based on the notional value of the award granted, adjusted for changes in the fair value of the referenced investments that employees select. Compensation expense is recognized over the vesting period relevant to each separately vesting portion of deferred awards.
- The Firm invests directly, as a principal, in financial instruments and other investments to economically hedge certain of its obligations under these deferred cash-based compensation plans. Changes in the fair value of such investments, net of financing costs, are recorded in Net revenues, and included in Transactional revenues in the Wealth Management business segment. Although changes in compensation expense resulting from changes in the fair value of the referenced investments will generally be offset by changes in the fair value of investments recognized in net revenues, there is typically a timing difference between the immediate recognition of gains and losses on the Firm's investments and the deferred recognition of the related compensation expense over the vesting period. While this timing difference may not be material to Income before provision for income taxes for the Firm in any individual period, it may impact the Wealth Management business segment reported ratios and operating metrics in certain periods due to potentially significant impacts to net revenues and compensation expenses.

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

	3Q23	2Q23	3Q22	3Q23 YTD	3Q22 YTD
Compensation and benefits (a)	$ 5,935	$ 6,262	$ 5,614	$ 18,607	$ 17,438
Non-compensation expenses:					
Brokerage, clearing and exchange fees	855	875	847	2,611	2,607
Information processing and communications	947	926	874	2,788	2,560
Professional services	759	767	755	2,236	2,217
Occupancy and equipment	456	471	429	1,367	1,286
Marketing and business development	191	236	215	674	610
Other	851	947	829	2,718	2,713
Total non-compensation expenses	4,059	4,222	3,949	12,394	11,993
Total non-interest expenses	$ 9,994	$ 10,484	$ 9,563	$ 31,001	$ 29,431

(a) The Firm recorded severance costs of $308 million in the second quarter of 2023, associated with an employee action, which were reported in business segments' results as follows: Institutional Securities $207 million, Wealth Management $78 million and Investment Management $23 million.

Page 2:

(1) For the quarter and nine months ended September 30, 2023, Firm results include pre-tax integration-related expenses of $68 million and $244 million, respectively, of which $43 million and $171 million, respectively, are reported in the Wealth Management business segment, and $25 million and $73 million, respectively, are reported in the Investment Management business segment.

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) As of September 30, 2023, June 30, 2023 and September 30, 2022, the U.S. Bank investment securities portfolio included held to maturity investment securities of $54.0 billion, $54.9 billion and $57.4 billion, respectively.

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: 3Q23: $471mm; 2Q23: $471mm; 3Q22: $576mm; 3Q23 YTD: $471mm; 3Q22 YTD: $576mm

Page 6:

(1) The following sets forth the net revenue impact of mark-to-market gains and losses on investments associated with DCP and compensation expense impact related to DCP:

	3Q23	2Q23	3Q22	3Q23 YTD	3Q22 YTD
Net revenues	$ 6,404	$ 6,660	$ 6,120	$ 19,623	$ 17,791
Adjustment for mark-to-market on DCP	143	(82)	153	(40)	964
Adjusted Net revenues - non-GAAP	$ 6,547	$ 6,578	$ 6,273	$ 19,583	$ 18,755
Compensation expense	$ 3,352	$ 3,503	$ 3,171	$ 10,332	$ 9,191
Adjustment for mark-to-market on DCP	48	(107)	86	(178)	645
Adjusted Compensation expense - non-GAAP	$ 3,400	$ 3,396	$ 3,257	$ 10,154	$ 9,836

(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: 3Q23: $14,075mm; 2Q23: $14,075mm; 3Q22: $14,746mm; 3Q23 YTD: $14,075mm; 3Q22 YTD: $14,746mm

Supplemental Quantitative Details and Calculations

Page 7:

(1) Wealth Management other lending includes $2 billion, $2 billion and $3 billion, respectively, of non-purpose securities based lending on non-bank entities in the periods ended September 30, 2023, June 30, 2023 and September 30, 2022.

(2) For the quarters ended September 30, 2023, June 30, 2023 and September 30, 2022, Wealth Management deposits of $340 billion, $343 billion and $332 billion, respectively, exclude off-balance sheet deposits of $0, $0 and $8 billion, respectively, held by third parties outside of Morgan Stanley. Total deposits details are as follows:

	3Q23	2Q23	3Q22
Brokerage sweep deposits	$ 143	$ 158	$ 228
Other deposits	197	185	104
Total balance sheet deposits	340	343	332
Off-balance sheet deposits	-	-	8
Total deposits	$ 340	$ 343	$ 340

Page 8:

(1) 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: 3Q23: $9,687mm; 2Q23: $9,687mm; 3Q22: $9,815mm; 3Q23 YTD: $9,687mm; 3Q22 YTD: $9,815mm

Page 9:

(1) In the second quarter of 2023, our Retail Municipal and Corporate Fixed Income business (FIMS) was combined with our Parametric retail customized solutions business. The impact of the prospective change is a $6 billion movement of end of period AUM from Fixed Income to the Alternatives and Solutions asset class.

Page 10:

(1) For the quarters ended September 30, 2023, June 30, 2023 and September 30, 2022, Investment Management reflected loan balances of $431 million, $386 million and $452 million, respectively.

Page 11:

(1) For the quarter ended September 30, 2023, the Allowance Rollforward for Loans and Lending Commitments is as follows:

	Institutional Securities	Wealth Management	Total
Loans			
Allowance for Credit Losses (ACL)			
Beginning Balance - June 30, 2023	$ 812	$ 269	$ 1,081
Net Charge Offs	(39)	-	(39)
Provision	80	43	123
Other	(8)	-	(8)
Ending Balance - September 30, 2023	$ 845	$ 312	$ 1,157
Lending Commitments			
Allowance for Credit Losses (ACL)			
Beginning Balance - June 30, 2023	$ 538	$ 24	$ 562
Net Charge Offs	-	-	-
Provision	13	(2)	11
Other	(4)	-	(4)
Ending Balance - September 30, 2023	$ 547	$ 22	$ 569
Loans and Lending Commitments			
Allowance for Credit Losses (ACL)			
Beginning Balance - June 30, 2023	$ 1,350	$ 293	$ 1,643
Net Charge Offs	(39)	-	(39)
Provision	93	41	134
Other	(12)	-	(12)
Ending Balance - September 30, 2023	$ 1,392	$ 334	$ 1,726

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 third quarter earnings press release issued October 18, 2023.

End of Document