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 19, 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 April 19, 2023, Morgan Stanley (the "Company") released financial information with respect to its quarter ended March 31, 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 March 31, 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) Exhibits

Exhibit Number	Description
99.1	Press release of the Company, dated April 19, 2023, containing financial information for the quarter ended March 31, 2023
99.2	Financial Data Supplement of the Company for the quarter ended March 31, 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: April 19, 2023

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

End of Document

Exhibit 99.1

Morgan Stanley First Quarter 2023 Earnings Results

Morgan Stanley Reports Net Revenues of $14.5 Billion, EPS of $1.70 and ROTCE of 16.9%

NEW YORK, April 19, 2023 Morgan Stanley (NYSE: MS) today reported net revenues of $14.5 billion for the first quarter ended March 31, 2023 compared with $14.8 billion a year ago. Net income applicable to Morgan Stanley was $3.0 billion, or $1.70 per diluted share,[1] compared with net income of $3.7 billion, or $2.02 per diluted share,[1] for the same period a year ago.

James P. Gorman, *Chairman and Chief Executive Officer, said, The Firm delivered strong results with a ROTCE of 17% in a very unusual environment, demonstrating the strength of our business model. The investments we have made in our Wealth Management business continue to bear fruit as we added a robust $110 billion in net new assets this quarter. Equity and Fixed Income revenues were strong, although Investment Banking activity continued to be constrained. We maintained our strong capital levels and remain well positioned to provide long-term value to our shareholders.*

Financial Summary[2,3]

Firm ($ millions, except per share data)	1Q 2023	1Q 2022
Net revenues	$ 14,517	$ 14,801
Provision for credit losses	$ 234	$ 57
Compensation expense	$ 6,410	$ 6,274
Non-compensation expenses	$ 4,113	$ 3,882
Pre-tax income[8]	$ 3,760	$ 4,588
Net income app. to MS	$ 2,980	$ 3,666
Expense efficiency ratio[5]	72%	69%
Earnings per diluted share[1]	$ 1.70	$ 2.02
Book value per share	$ 55.13	$ 54.18
Tangible book value per share	$ 40.68	$ 39.91
Return on equity	12.4%	14.7%
Return on tangible equity[4]	16.9%	19.8%
Institutional Securities		
Net revenues	$ 6,797	$ 7,657
Investment Banking	$ 1,247	$ 1,634
Equity	$ 2,729	$ 3,174
Fixed Income	$ 2,576	$ 2,923
Wealth Management		
Net revenues	$ 6,559	$ 5,935
Fee-based client assets ($ billions)[9]	$ 1,769	$ 1,873
Fee-based asset flows ($ billions)[10]	$ 22.4	$ 97.2
Net new assets ($ billions)[6]	$ 109.6	$ 142.0
Loans ($ billions)	$ 143.7	$ 136.7
Investment Management		
Net revenues	$ 1,289	$ 1,335
AUM ($ billions)[11]	$ 1,362	$ 1,447
Long-term net flows ($ billions)[12]	$ (2.4)	$ (14.4)

Highlights

The Firm reported net revenues of $14.5 billion and net income of $3.0 billion as our businesses navigated a volatile market environment.

The Firm delivered ROTCE of 16.9%.[4]

The Firm expense efficiency ratio was 72%.[5] Expenses for the quarter include integration-related expenses of $77 million.

Standardized Common Equity Tier 1 capital ratio was 15.1%.[15]

Institutional Securities net revenues of $6.8 billion reflect strong performance in Equity and Fixed Income despite a less favorable market environment compared to a year ago and lower results in Investment Banking.

Wealth Management attracted significant net new assets of $110 billion during the quarter.[6] Net revenues were $6.6 billion, positively impacted by mark-to-market gains on investments associated with certain employee deferred compensation plans compared to losses a year ago. The business delivered a pre-tax margin of 26.1%.[7] Results reflect higher net interest income versus prior year primarily driven by higher interest rates, even as clients continue to redeploy sweep deposits. These results were partially offset by an increase in expenses as well as higher provisions for credit losses.

Investment Management results reflect net revenues of $1.3 billion on AUM of $1.4 trillion amid declines in asset values from a year ago.

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 $6.8 billion compared with $7.7 billion a year ago. Pre-tax income was $1.9 billion compared with $2.8 billion a year ago.[8]

Investment Banking revenues down 24% from a year ago:

Advisory revenues decreased from a year ago driven by fewer completed MA transactions.

Equity underwriting revenues decreased from a year ago primarily driven by lower IPO volumes.

Fixed income underwriting revenues decreased from a year ago primarily driven by lower non-investment grade loan issuances.

Equity net revenues down 14% from a year ago:

Equity net revenues declined compared to a strong prior year quarter. The decrease was primarily due to lower volumes and declines in global equity markets compared to a year ago.

Fixed Income net revenues down 12% from a year ago:

Fixed Income net revenues decreased from a year ago due to declines in commodities and foreign exchange as a result of lower volatility and client activity. The declines were partially offset by (1) higher revenues in rates supported by interest rate volatility across geographies and (2) increased credit products revenues supported by client engagement.

Other:

Other revenues increased primarily driven by higher revenues on corporate lending activity, net of losses on loan hedges, and mark-to-market gains on investments associated with certain employee deferred compensation plans compared to losses in the prior year quarter.

($ millions)	1Q 2023	1Q 2022
Net Revenues	**$ 6,797**	**$ 7,657**
Investment Banking	**$ 1,247**	**$ 1,634**
Advisory	$ 638	$ 944
Equity underwriting	$ 202	$ 258
Fixed income underwriting	$ 407	$ 432
Equity	**$ 2,729**	**$ 3,174**
Fixed Income	**$ 2,576**	**$ 2,923**
Other	**$ 245**	**$ (74)**
Provision for credit losses	**$ 189**	**$ 44**
Total Expenses	**$ 4,716**	**$ 4,826**
Compensation	$ 2,365	$ 2,604
Non-compensation	$ 2,351	$ 2,222

Provision for credit losses:

Increases in provisions for credit losses were primarily related to commercial real estate and deterioration in the macroeconomic outlook from a year ago.

Total Expenses:

Compensation expenses decreased on lower revenues, partially offset by higher expenses related to stock-based compensation plans and certain deferred compensation plans linked to investment performance.

Non-compensation expenses increased from a year ago primarily driven by higher litigation and marketing and business development costs.

Wealth Management

Wealth Management reported net revenues for the current quarter of $6.6 billion compared with $5.9 billion from a year ago. Pre-tax income of $1.7 billion[8] in the current quarter resulted in a reported pre-tax margin of 26.1%.[7]

Net revenues increased 11% from a year ago:

- Asset management revenues decreased from a year ago reflecting lower asset levels due to declines in the markets, partially offset by positive fee-based flows.
- Transactional revenues[13] decreased 12% excluding the impact of mark-to-market gains on investments associated with certain employee deferred compensation plans. The decrease was driven by fewer new issuance opportunities and reduced activity levels compared to the beginning of 2022.
- Net interest income increased from a year ago on higher interest rates and bank lending growth, partially offset by lower brokerage sweep deposits as clients continue to redeploy balances.

Provision for credit losses:

- Increases in provisions for credit losses were related to deterioration in the macroeconomic outlook from a year ago.

($ millions)	1Q 2023	1Q 2022
Net Revenues	**$ 6,559**	**$ 5,935**
Asset management	$ 3,382	$ 3,626
Transactional[13]	$ 921	$ 635
Net interest income	$ 2,158	$ 1,540
Other	$ 98	$ 134
Provision for credit losses	**$ 45**	**$ 13**
Total Expenses	**$ 4,802**	**$ 4,349**
Compensation	$ 3,477	$ 3,125
Non-compensation	$ 1,325	$ 1,224

Total Expenses:

- Compensation expense increased from a year ago driven by higher expenses related to certain deferred compensation plans linked to investment performance.
- Non-compensation expenses increased from a year ago primarily driven by investments in technology, as well as higher marketing and business development costs.

Investment Management

Investment Management reported net revenues of $1.3 billion, down 3% from a year ago. Pre-tax income was $166 million compared with $228 million a year ago.[8]

Net revenues decreased 3% from a year ago:

- Asset management and related fees decreased from a year ago driven primarily by lower AUM due to the decline in asset values and the cumulative effect of outflows.
- Performance-based income and other revenues increased from a year ago due to mark-to-market gains on investments associated with certain employee deferred compensation plans and higher marks on public investments compared to losses in the prior year quarter, partially offset by lower accrued carried interest.

($ millions)	1Q 2023	1Q 2022
Net Revenues	**$ 1,289**	**$ 1,335**
Asset management and related fees	$ 1,248	$ 1,388
Performance-based income and other	$ 41	$ (53)
Total Expenses	**$ 1,123**	**$ 1,107**
Compensation	$ 568	$ 545
Non-compensation	$ 555	$ 562

Total Expenses:

- Compensation expense increased from a year ago primarily driven by higher expenses related to certain deferred compensation plans linked to investment performance partially offset by lower compensation associated with carried interest.

Other Matters

Standardized Common Equity Tier 1 capital ratio was 15.1%, 180 basis points above the aggregate standardized approach CET1 requirement inclusive of buffers.

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 $0.775 quarterly dividend per share, payable on May 15, 2023 to common shareholders of record on May 1, 2023.

The effective tax rate for the quarter was 19.3%, which reflects a benefit associated with employee share-based payments.[18]

	1Q 2023	1Q 2022
Capital[14]		
Standardized Approach		
CET1 capital[15]	15.1%	14.5%
Tier 1 capital[15]	17.0%	16.0%
Advanced Approach		
CET1 capital[15]	15.6%	15.9%
Tier 1 capital[15]	17.5%	17.6%
Leverage-based capital		
Tier 1 leverage[16]	6.7%	6.8%
SLR[17]	5.5%	5.5%
Common Stock Repurchases		
Repurchases ($ millions)	$ 1,500	$ 2,872
Number of Shares (millions)	16	30
Average Price	$ 95.16	$ 95.20
Period End Shares (millions)	1,670	1,756
Effective Tax Rate[18]	19.3%	19.0%

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 Firms 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 Firms 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 managements 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, Managements 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 Firms Annual Report on Form 10-K for the year ended December 31, 2022 and other items throughout the Form 10-K, the Firms Quarterly Reports on Form 10-Q and the Firms Current Reports on Form 8-K, including any amendments thereto.

[1] Includes preferred dividends related to the calculation of earnings per share of $144 million and $124 million for the first 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 March 31, 2023, Firm results include pre-tax integration-related expenses of $77 million, of which $53 million is reported in the Wealth Management business segment and $24 million is reported in the Investment Management business segment.

[6] 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.

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

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

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

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

[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, April 19, 2023.

[15]CET1 capital is defined as Common Equity Tier 1 capital. The Firms 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 "Managements Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Regulatory Requirements" in the Firms 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 Firms leverage. Tier 1 leverage ratio utilizes Tier 1 capital as the numerator and average adjusted assets as the denominator.

[17] The Firms supplementary leverage ratio (SLR) utilizes a Tier 1 capital numerator of approximately $77.9 billion and $80.1 billion, and supplementary leverage exposure denominator of approximately $1.42 trillion and $1.47 trillion, for the first quarter of 2023 and 2022, respectively.

[18] The income tax consequences related to employee share-based payments are recognized in Provision for income taxes in the consolidated income statement, and may be either a benefit or a provision. The impacts of recognizing excess tax benefits upon conversion of awards are $149 million and $205 million for the first quarter of 2023 and 2022, respectively.

Consolidated Income Statement Information (unaudited, dollars in millions)

	Quarter Ended			Percentage Change From:	
	Mar 31, 2023	Dec 31, 2022	Mar 31, 2022	Dec 31, 2022	Mar 31, 2022
Revenues:					
Investment banking	$ 1,330	$ 1,318	$ 1,758	1%	(24%)
Trading	4,477	3,017	3,983	48%	12%
Investments	145	85	75	71%	93%
Commissions and fees	1,239	1,169	1,416	6%	(13%)
Asset management	4,728	4,803	5,119	(2%)	(8%)
Other	252	38	234	*	8%
Total non-interest revenues	12,171	10,430	12,585	17%	(3%)
Interest income	10,379	9,232	2,650	12%	*
Interest expense	8,033	6,913	434	16%	*
Net interest	2,346	2,319	2,216	1%	6%
Net revenues	14,517	12,749	14,801	14%	(2%)
Provision for credit losses	234	87	57	169%	*
Non-interest expenses:					
Compensation and benefits	6,410	5,615	6,274	14%	2%
Non-compensation expenses:					
Brokerage, clearing and exchange fees	881	851	882	4%	--
Information processing and communications	915	933	829	(2%)	10%
Professional services	710	853	705	(17%)	1%
Occupancy and equipment	440	443	427	(1%)	3%
Marketing and business development	247	295	175	(16%)	41%
Other	920	878	864	5%	6%
Total non-compensation expenses	4,113	4,253	3,882	(3%)	6%
Total non-interest expenses	10,523	9,868	10,156	7%	4%
Income before provision for income taxes	3,760	2,794	4,588	35%	(18%)
Provision for income taxes	727	528	873	38%	(17%)
Net income	$ 3,033	$ 2,266	$ 3,715	34%	(18%)
Net income applicable to nonredeemable noncontrolling interests	53	30	49	77%	8%
Net income applicable to Morgan Stanley	2,980	2,236	3,666	33%	(19%)
Preferred stock dividend	144	123	124	17%	16%
Earnings applicable to Morgan Stanley common shareholders	$ 2,836	$ 2,113	$ 3,542	34%	(20%)

Notes:

- Firm net revenues excluding mark-to-market gains and losses on deferred cash-based compensation plans (DCP) were: 1Q23: $14,364 million, 4Q22: $12,555 million, 1Q22: $15,242 million.
- Firm compensation expenses excluding DCP were: 1Q23: $6,217 million, 4Q22: $5,426 million, 1Q22: $6,562 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.

Consolidated Financial Metrics, Ratios and Statistical Data
(unaudited)

	Quarter Ended			Percentage Change From:	
	Mar 31, 2023	**Dec 31, 2022**	**Mar 31, 2022**	**Dec 31, 2022**	**Mar 31, 2022**
Financial Metrics:					
Earnings per basic share	$ 1.72	$ 1.28	$ 2.04	34%	(16%)
Earnings per diluted share	$ 1.70	$ 1.26	$ 2.02	35%	(16%)
Return on average common equity	12.4%	9.2%	14.7%		
Return on average tangible common equity	16.9%	12.6%	19.8%		
Book value per common share	$ 55.13	$ 54.55	$ 54.18		
Tangible book value per common share	$ 40.68	$ 40.06	$ 39.91		
Financial Ratios:					
Pre-tax profit margin	26%	22%	31%		
Compensation and benefits as a % of net revenues	44%	44%	42%		
Non-compensation expenses as a % of net revenues	28%	33%	26%		
Firm expense efficiency ratio	72%	77%	69%		
Effective tax rate	19.3%	18.9%	19.0%		
Statistical Data:					
Period end common shares outstanding (millions)	1,670	1,675	1,756	--	(5%)
Average common shares outstanding (millions)					
Basic	1,645	1,652	1,733	--	(5%)
Diluted	1,663	1,679	1,755	(1%)	(5%)
Worldwide employees	82,266	82,427	76,541	--	7%

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

Morgan Stanley

First Quarter 2023 Earnings Results

Quarterly Financial Supplement

Consolidated Financial Summary
(unaudited, dollars in millions)

	Quarter Ended			Percentage Change From:	
	Mar 31, 2023	**Dec 31, 2022**	**Mar 31, 2022**	**Dec 31, 2022**	**Mar 31, 2022**
Net revenues					
Institutional Securities	$ 6,797	$ 4,800	$ 7,657	42%	(11%)
Wealth Management	6,559	6,626	5,935	(1%)	11%
Investment Management	1,289	1,461	1,335	(12%)	(3%)
Intersegment Eliminations	(128)	(138)	(126)	7%	(2%)
Net revenues (1)	$ 14,517	$ 12,749	$ 14,801	14%	(2%)
Provision for credit losses	$ 234	$ 87	$ 57	169%	*
Non-interest expenses					
Institutional Securities	$ 4,716	$ 3,991	$ 4,826	18%	(2%)
Wealth Management	4,802	4,760	4,349	1%	10%
Investment Management	1,123	1,247	1,107	(10%)	1%
Intersegment Eliminations	(118)	(130)	(126)	9%	6%
Non-interest expenses (1)(2)	$ 10,523	$ 9,868	$ 10,156	7%	4%
Income before provision for income taxes					
Institutional Securities	$ 1,892	$ 748	$ 2,787	153%	(32%)
Wealth Management	1,712	1,840	1,573	(7%)	9%
Investment Management	166	214	228	(22%)	(27%)
Intersegment Eliminations	(10)	(8)	-	(25%)	*
Income before provision for income taxes	$ 3,760	$ 2,794	$ 4,588	35%	(18%)
Net Income applicable to Morgan Stanley					
Institutional Securities	$ 1,478	$ 656	$ 2,191	125%	(33%)
Wealth Management	1,376	1,424	1,272	(3%)	8%
Investment Management	134	162	203	(17%)	(34%)
Intersegment Eliminations	(8)	(6)	-	(33%)	*
Net Income applicable to Morgan Stanley	$ 2,980	$ 2,236	$ 3,666	33%	(19%)
Earnings applicable to Morgan Stanley common shareholders	$ 2,836	$ 2,113	$ 3,542	34%	(20%)

Notes:
- Firm net revenues excluding mark-to-market gains and losses on deferred cash-based compensation plans (DCP) were: 1Q23: $14,364 million, 4Q22: $12,555 million, 1Q22: $15,242 million.
- Firm compensation expenses excluding DCP were: 1Q23: $6,217 million, 4Q22: $5,426 million, 1Q22: $6,562 million.
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Consolidated Financial Metrics, Ratios and Statistical Data
(unaudited)

	Quarter Ended			Percentage Change From:	
	Mar 31, 2023	Dec 31, 2022	Mar 31, 2022	Dec 31, 2022	Mar 31, 2022
Financial Metrics:					
Earnings per basic share	$ 1.72	$ 1.28	$ 2.04	34%	(16%)
Earnings per diluted share	$ 1.70	$ 1.26	$ 2.02	35%	(16%)
Return on average common equity	12.4%	9.2%	14.7%		
Return on average tangible common equity	16.9%	12.6%	19.8%		
Book value per common share	$ 55.13	$ 54.55	$ 54.18		
Tangible book value per common share	$ 40.68	$ 40.06	$ 39.91		
Financial Ratios:					
Pre-tax profit margin	26%	22%	31%		
Compensation and benefits as a % of net revenues	44%	44%	42%		
Non-compensation expenses as a % of net revenues	28%	33%	26%		
Firm expense efficiency ratio (1)	72%	77%	69%		
Effective tax rate (2)	19.3%	18.9%	19.0%		
Statistical Data:					
Period end common shares outstanding (millions)	1,670	1,675	1,756	--	(5%)
Average common shares outstanding (millions)					
Basic	1,645	1,652	1,733	--	(5%)
Diluted	1,663	1,679	1,755	(1%)	(5%)
Worldwide employees	82,266	82,427	76,541	--	7%

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

	Quarter Ended			Percentage Change From:	
	Mar 31, 2023	Dec 31, 2022	Mar 31, 2022	Dec 31, 2022	Mar 31, 2022
Consolidated Balance sheet					
Total assets	$ 1,199,904	$ 1,180,231	$ 1,222,233	2%	(2%)
Loans (1)	$ 222,727	$ 222,182	$ 208,750	--	7%
Deposits	$ 347,523	$ 356,646	$ 360,840	(3%)	(4%)
Long-term debt outstanding	$ 245,595	$ 233,867	$ 225,671	5%	9%
Maturities of long-term debt outstanding (next 12 months)	$ 20,382	$ 18,910	$ 21,205	8%	(4%)
Average liquidity resources	$ 321,195	$ 312,250	$ 338,281	3%	(5%)
Common equity	$ 92,076	$ 91,391	$ 95,151	1%	(3%)
Less: Goodwill and intangible assets	(24,125)	(24,268)	(25,068)	(1%)	(4%)
Tangible common equity	$ 67,951	$ 67,123	$ 70,083	1%	(3%)
Preferred equity	$ 8,750	$ 8,750	$ 7,750	--	13%
U.S. Bank Supplemental Financial Information					
Total assets	$ 384,794	$ 390,963	$ 389,978	(2%)	(1%)
Loans	$ 206,785	$ 206,344	$ 194,791	--	6%
Investment securities portfolio (2)	$ 123,250	$ 123,254	$ 129,886	--	(5%)
Deposits	$ 340,926	$ 350,553	$ 352,078	(3%)	(3%)
Regional revenues					
Americas	$ 10,791	$ 9,897	$ 10,464	9%	3%
EMEA (Europe, Middle East, Africa)	1,737	1,430	2,311	21%	(25%)
Asia	1,989	1,422	2,026	40%	(2%)
Consolidated net revenues	$ 14,517	$ 12,749	$ 14,801	14%	(2%)

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

	Quarter Ended			Percentage Change From:	
	Mar 31, 2023	**Dec 31, 2022**	**Mar 31, 2022**	**Dec 31, 2022**	**Mar 31, 2022**
Average Common Equity					
Institutional Securities	$ 45.6	$ 48.8	$ 48.8	(7%)	(7%)
Wealth Management	28.8	31.0	31.0	(7%)	(7%)
Investment Management	10.4	10.6	10.6	(2%)	(2%)
Parent	6.6	1.1	6.3	*	5%
Firm	$ 91.4	$ 91.5	$ 96.7	--	(5%)
Regulatory Capital					
Common Equity Tier 1 capital	$ 69.4	$ 68.7	$ 72.5	1%	(4%)
Tier 1 capital	$ 77.9	$ 77.2	$ 80.1	1%	(3%)
<u>Standardized Approach</u>					
Risk-weighted assets	$ 459.1	$ 447.8	$ 501.4	3%	(8%)
Common Equity Tier 1 capital ratio	15.1%	15.3%	14.5%		
Tier 1 capital ratio	17.0%	17.2%	16.0%		
<u>Advanced Approach</u>					
Risk-weighted assets	$ 445.3	$ 438.8	$ 456.5	1%	(2%)
Common Equity Tier 1 capital ratio	15.6%	15.6%	15.9%		
Tier 1 capital ratio	17.5%	17.6%	17.6%		
<u>Leverage-based capital</u>					
Tier 1 leverage ratio	6.7%	6.7%	6.8%		
Supplementary Leverage Ratio	5.5%	5.5%	5.5%		

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

	Quarter Ended			Percentage Change From:	
	Mar 31, 2023	**Dec 31, 2022**	**Mar 31, 2022**	**Dec 31, 2022**	**Mar 31, 2022**
Revenues:					
Advisory	$ 638	$ 711	$ 944	(10%)	(32%)
Equity	202	227	258	(11%)	(22%)
Fixed income	407	314	432	30%	(6%)
Underwriting	609	541	690	13%	(12%)
Investment banking	1,247	1,252	1,634	--	(24%)
Equity	2,729	2,176	3,174	25%	(14%)
Fixed income	2,576	1,418	2,923	82%	(12%)
Other	245	(46)	(74)	*	*
Net revenues	6,797	4,800	7,657	42%	(11%)
Provision for credit losses	189	61	44	*	*
Compensation and benefits	2,365	1,644	2,604	44%	(9%)
Non-compensation expenses	2,351	2,347	2,222	--	6%
Total non-interest expenses	4,716	3,991	4,826	18%	(2%)
Income before provision for income taxes	1,892	748	2,787	153%	(32%)
Net income applicable to Morgan Stanley	$ 1,478	$ 656	$ 2,191	125%	(33%)
Pre-tax profit margin	28%	16%	36%		
Compensation and benefits as a % of net revenues	35%	34%	34%		
Non-compensation expenses as a % of net revenues	35%	49%	29%		
Return on Average Common Equity	12%	5%	17%		
Return on Average Tangible Common Equity (1)	12%	5%	17%		
Trading VaR (Average Daily 95% / One-Day VaR)	$ 55	$ 64	$ 39		

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

	Quarter Ended			Percentage Change From:	
	Mar 31, 2023	Dec 31, 2022	Mar 31, 2022	Dec 31, 2022	Mar 31, 2022
Revenues:					
Asset management	$ 3,382	$ 3,347	$ 3,626	1%	(7%)
Transactional	921	931	635	(1%)	45%
Net interest income	2,158	2,138	1,540	1%	40%
Other	98	210	134	(53%)	(27%)
Net revenues (1)	6,559	6,626	5,935	(1%)	11%
Provision for credit losses	45	26	13	73%	*
Compensation and benefits (1)	3,477	3,343	3,125	4%	11%
Non-compensation expenses	1,325	1,417	1,224	(6%)	8%
Total non-interest expenses	4,802	4,760	4,349	1%	10%
Income before provision for income taxes	1,712	1,840	1,573	(7%)	9%
Net income applicable to Morgan Stanley	$ 1,376	$ 1,424	$ 1,272	(3%)	8%
Pre-tax profit margin	26%	28%	27%		
Compensation and benefits as a % of net revenues	53%	50%	53%		
Non-compensation expenses as a % of net revenues	20%	21%	21%		
Return on Average Common Equity	19%	18%	16%		
Return on Average Tangible Common Equity (2)	36%	34%	30%		

Notes:
- Wealth Management net revenues excluding DCP were: 1Q23: $6,458 million, 4Q22: $6,520 million, 1Q22: $6,231 million.
- Wealth Management compensation expenses excluding DCP were: 1Q23: $3,358 million, 4Q22: $3,228 million, 1Q22: $3,325 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.

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

	Quarter Ended			Percentage Change From:	
	Mar 31, 2023	**Dec 31, 2022**	**Mar 31, 2022**	**Dec 31, 2022**	**Mar 31, 2022**
Wealth Management Metrics					
Total client assets	$ 4,558	$ 4,187	$ 4,869	9%	(6%)
Net new assets	$ 109.6	$ 51.6	$ 142.0	112%	(23%)
U.S. Bank loans	$ 143.7	$ 146.1	$ 136.7	(2%)	5%
Margin and other lending (1)	$ 21.1	$ 22.0	$ 29.2	(4%)	(28%)
Deposits (2)	$ 341	$ 351	$ 352	(3%)	(3%)
Annualized weighted average cost of deposits					
Period end	2.05%	1.59%	0.09%		
Period average	1.86%	1.32%	0.10%		
Advisor-led channel					
Advisor-led client assets	$ 3,582	$ 3,392	$ 3,835	6%	(7%)
Fee-based client assets	$ 1,769	$ 1,678	$ 1,873	5%	(6%)
Fee-based asset flows	$ 22.4	$ 20.4	$ 97.2	10%	(77%)
Fee-based assets as a % of advisor-led client assets	49%	49%	49%		
Self-directed channel					
Self-directed assets	$ 976	$ 795	$ 1,034	23%	(6%)
Daily average revenue trades (000's)	831	755	1,016	10%	(18%)
Self-directed households (millions)	8.1	8.0	7.6	1%	7%
Workplace channel					
Stock plan unvested assets	$ 358	$ 302	$ 454	19%	(21%)
Number of stock plan participants (millions)	6.5	6.3	5.8	3%	12%

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

	Quarter Ended			Percentage Change From:	
	Mar 31, 2023	**Dec 31, 2022**	**Mar 31, 2022**	**Dec 31, 2022**	**Mar 31, 2022**
Revenues:					
Asset management and related fees	$ 1,248	$ 1,371	$ 1,388	(9%)	(10%)
Performance-based income and other	41	90	(53)	(54%)	*
Net revenues	1,289	1,461	1,335	(12%)	(3%)
Compensation and benefits	568	628	545	(10%)	4%
Non-compensation expenses	555	619	562	(10%)	(1%)
Total non-interest expenses	1,123	1,247	1,107	(10%)	1%
Income before provision for income taxes	166	214	228	(22%)	(27%)
Net income applicable to Morgan Stanley	$ 134	$ 162	$ 203	(17%)	(34%)
Pre-tax profit margin	13%	15%	17%		
Compensation and benefits as a % of net revenues	44%	43%	41%		
Non-compensation expenses as a % of net revenues	43%	42%	42%		
Return on Average Common Equity	5%	6%	8%		
Return on Average Tangible Common Equity (1)	73%	85%	106%		

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

	Quarter Ended			Percentage Change From:	
	Mar 31, 2023	**Dec 31, 2022**	**Mar 31, 2022**	**Dec 31, 2022**	**Mar 31, 2022**
Assets under management or supervision (AUM)					
Net flows by asset class					
Equity	$ (2.1)	$ (6.1)	$ (7.5)	66%	72%
Fixed Income	(2.0)	(3.8)	(3.9)	47%	49%
Alternatives and Solutions	1.7	3.9	(3.0)	(56%)	*
Long-Term Net Flows	(2.4)	(6.0)	(14.4)	60%	83%
Liquidity and Overlay Services	13.9	(18.5)	(28.1)	*	*
Total Net Flows	$ 11.5	$ (24.5)	$ (42.5)	*	*
Assets under management or supervision by asset class					
Equity	$ 277	$ 259	$ 337	7%	(18%)
Fixed Income	175	173	195	1%	(10%)
Alternatives and Solutions	448	431	449	4%	--
Long-Term Assets Under Management or Supervision	$ 900	$ 863	$ 981	4%	(8%)
Liquidity and Overlay Services	462	442	466	5%	(1%)
Total Assets Under Management or Supervision	$ 1,362	$ 1,305	$ 1,447	4%	(6%)

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

	Quarter Ended			Percentage Change From:	
	Mar 31, 2023	**Dec 31, 2022**	**Mar 31, 2022**	**Dec 31, 2022**	**Mar 31, 2022**
Institutional Securities					
Loans:					
Corporate	$ 18.3	$ 17.0	$ 13.0	8%	41%
Secured lending facilities	40.0	38.6	34.4	4%	16%
Commercial and residential real estate	11.8	11.7	14.6	1%	(19%)
Securities-based lending and other	8.7	8.5	9.7	2%	(10%)
Total Loans	78.8	75.8	71.7	4%	10%
Lending Commitments	122.3	119.7	128.0	2%	(4%)
Institutional Securities Loans and Lending Commitments	$ 201.1	$ 195.5	$ 199.7	3%	1%
Wealth Management					
Loans:					
Securities-based lending and other	$ 88.4	$ 91.7	$ 89.5	(4%)	(1%)
Residential real estate	55.3	54.4	47.2	2%	17%
Total Loans	143.7	146.1	136.7	(2%)	5%
Lending Commitments	17.8	17.3	14.5	3%	23%
Wealth Management Loans and Lending Commitments	$ 161.5	$ 163.4	$ 151.2	(1%)	7%
Consolidated Loans and Lending Commitments (1)	$ 362.6	$ 358.9	$ 350.9	1%	3%

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Consolidated Loans and Lending Commitments
Allowance for Credit Losses (ACL) as of March 31, 2023
(unaudited, dollars in millions)

	Loans and Lending Commitments *(Gross)*	ACL [1]	ACL %	Q1 Provision
Loans:				
Held For Investment (HFI)				
Corporate	$ 7,435	$ 265	3.6%	$ 31
Secured lending facilities	37,187	152	0.4%	-
Commercial and residential real estate	8,601	335	3.9%	129
Other	3,430	13	0.4%	-
Institutional Securities - HFI	$ 56,653	$ 765	1.4%	$ 160
Wealth Management - HFI	143,863	205	0.1%	41
Held For Investment	$ 200,516	$ 970	0.5%	$ 201
Held For Sale	15,146			
Fair Value	7,817			
Total Loans	223,479	970		201
Lending Commitments	140,096	539	0.4%	33
Consolidated Loans and Lending Commitments	$ 363,575	$ 1,509		$ 234

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 March 31, 2023, December 31, 2022 and March 31, 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 "Managements Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Regulatory Requirements" in the Firms 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‑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 "Managements Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Regulatory Requirements" in the Firms 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 March 31, 2023, December 31, 2022 and March 31, 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 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 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 Firms 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 Firms 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 segments 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:

	1Q23	4Q22	1Q22
Net revenues	$ 14,517	$ 12,749	$ 14,801
Adjustment for mark-to-market on DCP	(153)	(194)	441
Adjusted Net revenues - non-GAAP	$ 14,364	$ 12,555	$ 15,242
Compensation expense	$ 6,410	$ 5,615	$ 6,274
Adjustment for mark-to-market on DCP	(193)	(189)	288
Adjusted Compensation expense - non-GAAP	$ 6,217	$ 5,426	$ 6,562

- 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 Firms 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:

	1Q23	4Q22	1Q22
Compensation and benefits [(a)]	$ 6,410	$ 5,615	$ 6,274
Non-compensation expenses:			
Brokerage, clearing and exchange fees	881	851	882
Information processing and communications	915	933	829
Professional services	710	853	705
Occupancy and equipment	440	443	427
Marketing and business development	247	295	175
Other	920	878	864
Total non-compensation expenses	4,113	4,253	3,882
Total non-interest expenses	$ 10,523	$ 9,868	$ 10,156

(a) The Firm recorded severance costs of $133 million in the fourth quarter of 2022, associated with a December employee action, which were reported in the business segments results as follows: Institutional Securities $88 million, Wealth Management $30 million and Investment Management $15 million.

Page 2:

(1) For the quarter ended March 31, 2023, Firm results include pre-tax integration-related expenses of $77 million, of which $53 million is reported in the Wealth Management business segment and $24 million is reported in the Investment Management business segment.

(2) The income tax consequences related to employee share‑based payments are recognized in Provision for income taxes in the consolidated income statement, and may be either a benefit or a provision. The impacts of recognizing excess tax benefits upon conversion of awards are $149 million and $205 million for the first quarter of 2023 and 2022, respectively.

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 March 31, 2023, December 31, 2022 and March 31, 2022, the U.S. Bank investment securities portfolio included held to maturity investment securities of $55.7 billion, $56.4 billion and $60.6 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: 1Q23: $471mm; 4Q22: $576mm; 1Q22: $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:

	1Q23	4Q22	1Q22
Net revenues	$ 6,559	$ 6,626	$ 5,935
Adjustment for mark-to-market on DCP	(101)	(106)	296
Adjusted Net revenues - non-GAAP	$ 6,458	$ 6,520	$ 6,231
Compensation expense	$ 3,477	$ 3,343	$ 3,125
Adjustment for mark-to-market on DCP	(119)	(115)	200
Adjusted Compensation expense - non-GAAP	$ 3,358	$ 3,228	$ 3,325

(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: 1Q23: $14,075mm; 4Q22: $14,746mm; 1Q22: $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 March 31, 2023, December 31, 2022 and March 31, 2022.

(2) For the quarters ended March 31, 2023, December 31, 2022 and March 31, 2022, Wealth Management deposits of $341 billion, $351 billion and $352 billion, respectively, exclude off-balance sheet deposits of $2 billion, $6 billion and $8 billion, respectively, held by third parties outside of Morgan Stanley. Total deposits details are as follows:

	1Q23	4Q22	1Q22
Brokerage sweep deposits	$ 172	$ 198	$ 309
Other deposits	169	153	43
Total balance sheet deposits	341	351	352
Off-balance sheet deposits	2	6	8
Total deposits	$ 343	$ 357	$ 360

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: 1Q23: $9,687mm; 4Q22: $9,815mm; 1Q22: $9,815mm

Page 10:

(1) For the quarters ended March 31, 2023, December 31, 2022 and March 31, 2022, Investment Management reflected loan balances of $219 million, $222 million and $362 million, respectively.

Page 11:

(1) For the quarter ended March 31, 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 - December 31, 2022	$ 674	$ 165	$ 839
Net Charge Offs	(70)	(1)	(71)
Provision	160	41	201
Other	1	-	1
Ending Balance - March 31, 2023	$ 765	$ 205	$ 970
Lending Commitments			
Allowance for Credit Losses (ACL)			
Beginning Balance - December 31, 2022	$ 484	$ 20	$ 504
Net Charge Offs	-	-	-
Provision	29	4	33
Other	2	-	2
Ending Balance - March 31, 2023	$ 515	$ 24	$ 539
Loans and Lending Commitments			
Allowance for Credit Losses (ACL)			
Beginning Balance - December 31, 2022	$ 1,158	$ 185	$ 1,343
Net Charge Offs	(70)	(1)	(71)
Provision	189	45	234
Other	3	-	3
Ending Balance - March 31, 2023	$ 1,280	$ 229	$ 1,509

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 19, 2023.

End of Document