UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant To Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): January 16, 2024

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 January 16, 2024, Morgan Stanley (the "Company") released financial information with respect to its quarter and year ended December 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 and year ended December 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 7.01 Regulation FD Disclosure.

On January 16, 2024, Morgan Stanley (the “Company”) released financial information with respect to its quarter and year ended December 31, 2023 and will hold an investor conference call. Exhibit 99.3 is a copy of a presentation (the “Presentation”) to be presented on the conference call, furnished for, and posted on the Company’s website.

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

Item 7.01 of this Current Report on Form 8-K (including Exhibit 99.3 hereto) contains forward-looking statements, including the attainment of certain financial and other targets, objectives and goals. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they are made, which reflect management's current estimates, projections, expectations, assumptions, interpretations or beliefs and which are subject to risks and uncertainties that may cause actual results to differ materially. Morgan Stanley does not undertake to update the forward-looking statements to reflect the impact of circumstances or events that may arise after the date of the forward-looking statements. For a discussion of risks and uncertainties that may affect the future results of Morgan Stanley, please see “Forward-Looking Statements” immediately preceding Part I, Item 1, “Competition” and “Supervision and Regulation” in Part I, Item 1, “Risk Factors” in Part I, Item 1A, “Legal Proceedings” in Part I, Item 3, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Part II, Item 7 and “Quantitative and Qualitative Disclosures about Risk” in Part II, Item 7A, each of Morgan Stanley’s Annual Report on Form 10-K for the year ended December 31, 2022 and other items throughout the Form 10-K, Morgan Stanley’s Quarterly Reports on Form 10-Q, Morgan Stanley’s Current Reports on Form 8-K, including any amendments thereto, which have been filed with the Securities and Exchange Commission and are available on Morgan Stanley’s website at www.morganstanley.com *and on the Securities and Exchange Commission’s website at www.sec.gov.*

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
99.1	Press release of the Company, dated January 16, 2024, containing financial information for the quarter and year ended December 31, 2023.
99.2	Financial Data Supplement of the Company for the quarter and year ended December 31, 2023.
99.3	Morgan Stanley Presentation, dated January 16, 2024.
101	Interactive Data Files pursuant to Rule 406 of Regulation S-T formatted in Inline eXtensible Business Reporting Language (“Inline XBRL”).
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101).

SIGNATURE

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

	MORGAN STANLEY (Registrant)
Date: January 16, 2024	By: /s/ Raja Akram
	Name: Raja Akram
	Title: Deputy Chief Financial Officer

End of Document

Exhibit 99.3

Morgan Stanley

Morgan Stanley: Driving the Integrated Firm

Ted Pick, Chief Executive Officer

January 16, 2024

Notice

The information provided herein includes certain non-GAAP financial measures. The definition of such measures and/or the reconciliation of such measures to the comparable U.S. GAAP figures are included in this presentation, or in Morgan Stanley's (the 'Company') Annual Report on Form 10-K, Definitive Proxy Statement, Quarterly Reports on Form 10-Q and the Company's Current Reports on Form 8-K, as applicable, including any amendments thereto, which are available on www.morganstanley.com.

This presentation may contain forward-looking statements including the attainment of certain financial and other targets, and objectives and goals. You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they are made, which reflect management's current estimates, projections, expectations, assumptions, interpretation or beliefs and which are subject to risks and uncertainties that may cause actual results to differ materially. The Company does not undertake to update the forward-looking statements to reflect the impact of circumstances or events that may arise after the date of forward-looking statements. For a discussion of risks and uncertainties that may affect the future results of the Company, please see the Company's most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, as applicable, which are available on www.morganstanley.com. This presentation is not an offer to buy or sell any security.

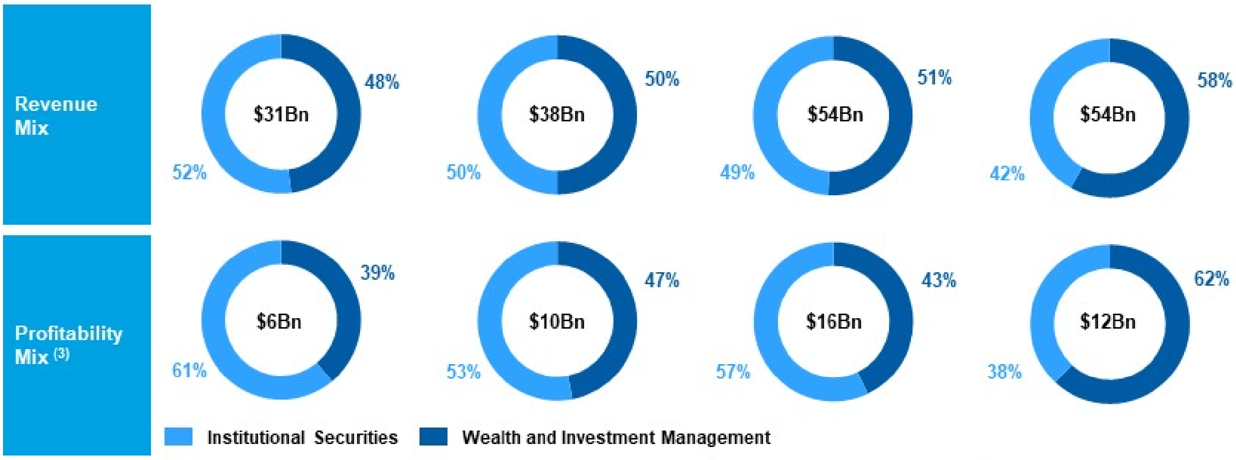
The End Notes are an integral part of this presentation. See Slides 10 – 12 at the back of this presentation for information related to the financial metrics and defined terms in this presentation.

For information and impact of the Company's acquisitions, please refer to prior period filings of the Company's Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q.

Please note this presentation is available at www.morganstanley.com.

Morgan Stanley: 15 Years of Transformation

	2009 – 2014 (1) (2)	2015 – 2019 (1) (2)	2020 – 2022 (1)	2023



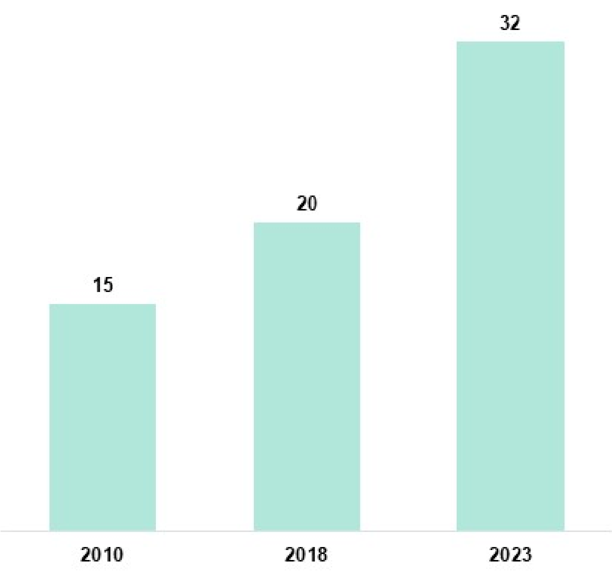
	2009 – 2014 (1) (2)	2015 – 2019 (1) (2)	2020 – 2022 (1)	2023
Client Assets (4)	$2.0Tn	$2.8Tn	$5.6Tn	$6.6Tn
ROTCE (5)	4%	11%	17%	13%
Acquisitions	Smith Barney	Solium	E*TRADE	Eaton Vance

The End Notes are an integral part of this Presentation. See slides 10-12 at the back of this presentation for information related to the financial metrics and defined terms in this presentation

Wealth and Investment Management Delivering Durability and Growth

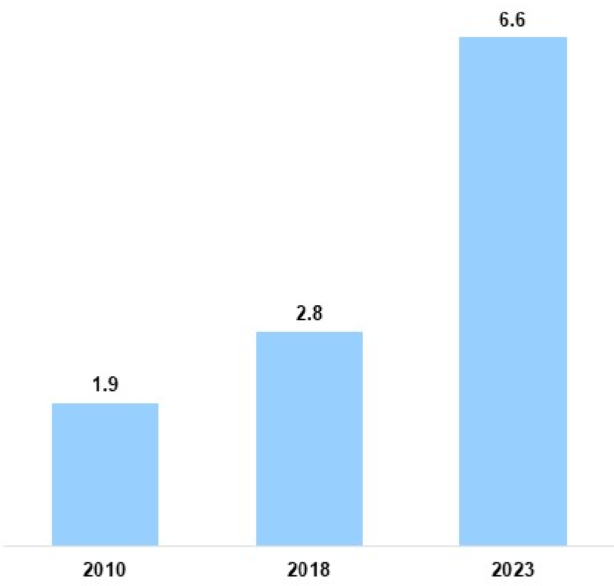
#1 Industry Leader [1]

Net Revenues ($Bn) [2]



>$6 Trillion in Total Client Assets

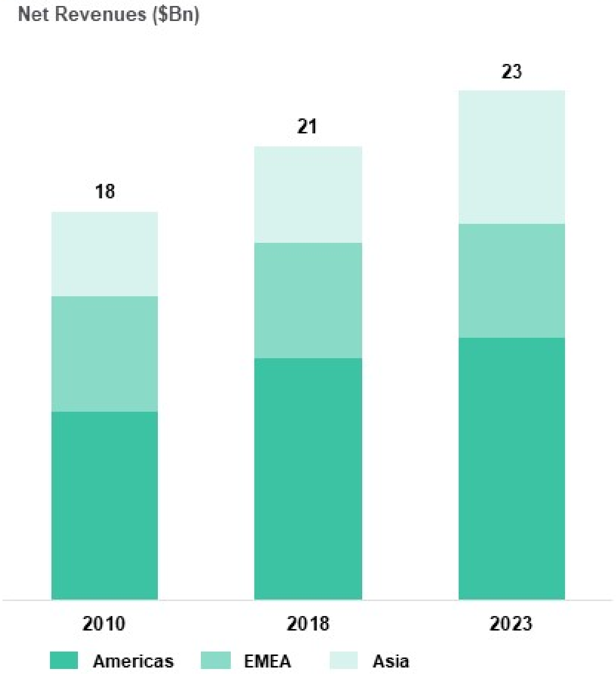
Client Assets ($Tn)



The End Notes are an integral part of this Presentation. See slides 10-12 at the back of this presentation for information related to the financial metrics and defined terms in this presentation

Institutional Securities Delivering Durability and Growth

Revenue Growth Across Global Businesses [1]



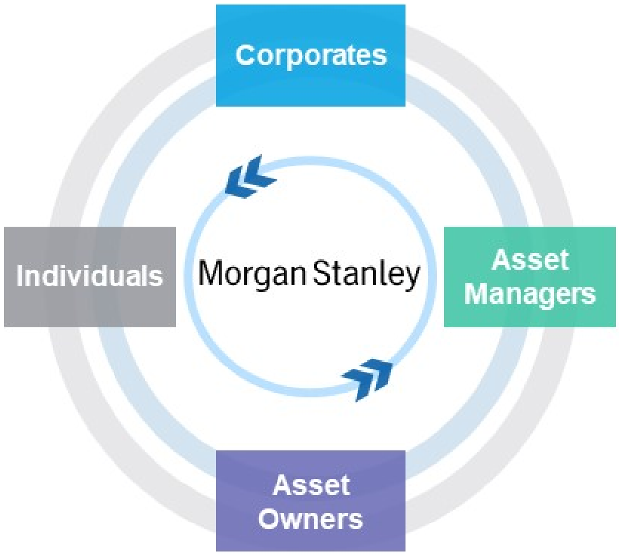
With Strategy for Leading Wallet Share Positions Across the Integrated Investment Bank [2]

~20%	Equities
~15%	Investment Banking
~10%	Fixed Income

The End Notes are an integral part of this Presentation. See slides 10-12 at the back of this presentation for information related to the financial metrics and defined terms in this presentation

Morgan Stanley: The Integrated Firm

Integrated Coverage Model



Areas of Focus

Advising Premier Corporate Footprint: Strategy to Workplace Solutions

Serving Self-Directed to Ultra High Net Worth with Institutional Capabilities

Delivering Integrated Client Value Across Public and Private Market Ecosystem

The End Notes are an integral part of this Presentation. See slides 10-12 at the back of this presentation for information related to the financial metrics and defined terms in this presentation

Human Capital: The Morgan Stanley Partnership

James Gorman, Executive Chairman

Ted Pick, Chief Executive Officer

Andy Saperstein, Co-President

Dan Simkowitz, Co-President

Firm Operating Committee

12 Leaders

21 Years Avg. Length of Service

Firm Management Committee

36 Leaders

21 Years Avg. Length of Service

World Class Technology & Infrastructure

99 Leaders

16 Years Avg. Length of Service

Managing Directors

2,320 Managing Directors

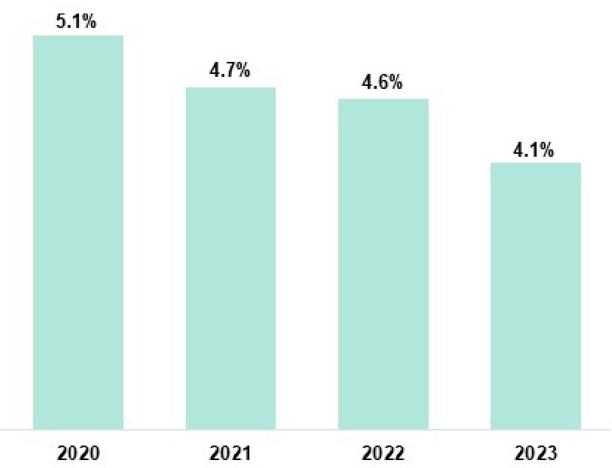
14 Years Avg. Length of Service

The End Notes are an integral part of this Presentation. See slides 10-12 at the back of this presentation for information related to the financial metrics and defined terms in this presentation

Financial Capital: Morgan Stanley's Deliberate Capital Strategy

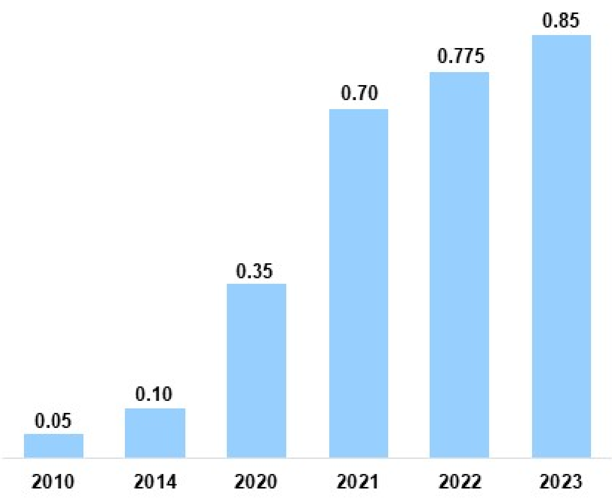
Steady Decline in SCB Peak-to-Trough

SCB, ex-Dividend Add-On (%) (1)



Strong Dividend Growth

4Q Dividend Per Share ($) (2)



The End Notes are an integral part of this Presentation. See slides 10-12 at the back of this presentation for information related to the financial metrics and defined terms in this presentation

Morgan Stanley: The Long-Term Value Proposition

Firmwide Goals [1]	
Client Assets	$10 Trillion +
WM Pre-Tax Margin	30%
Efficiency Ratio	70%
ROTCE	20%

The End Notes are an integral part of this Presentation. See slides 10-12 at the back of this presentation for information related to the financial metrics and defined terms in this presentation

End Notes

The Firm's financial presentations, earnings releases, earnings conference calls, and other communications may include certain metrics, including non-GAAP financial measures, which we believe to be useful to us, investors, analysts and other stakeholders by providing further transparency about, or an additional means of assessing, our financial condition and operating results. The End Notes are an integral part of our presentations and other communications.

For additional information, refer to the Definition of U.S. GAAP to Non-GAAP Measures, Definitions of Performance Metrics and Terms, Supplemental Quantitative Details and Calculations (includes reconciliation of GAAP to non-GAAP), and Legal Notice in the Morgan Stanley Fourth Quarter 2023 Financial Supplement included in the Current Report on Form 8-K dated January 16, 2024 ('**Morgan Stanley Fourth Quarter 2023 Financial Supplement**').

For information and impact of the Company's acquisitions, please refer to prior period filings of the Company's Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q.

End Notes

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

1. Financial statement data and metrics presented are based on an **average** of previously reported numbers across the stated years.

2. Net revenues and income from continuing operations before income taxes ('**Pre-Tax Profit**') have been adjusted to exclude significant items. These adjusted operating performance metrics are non-GAAP financial measures that the Firm considers useful for analysts, investors and other stakeholders to assess year-over-year operating performance.

   To provide a comparative view of operating performance from 2009 to 2015, our full year reported results are adjusted below to exclude several significant items, which were highlighted in prior period filings of Morgan Stanley's (the '**Company**') Annual Reports on Form 10-K.
   - Litigation costs of approximately $3.1 billion in 2014 related to residential mortgage-backed securities and other credit crisis-related matters ('**Credit Crisis Litigation**')
   - Compensation expense of approximately $1.1 billion in 2014 related to changes in the approach for awards of discretionary incentive compensation (i.e., reducing the average deferral of such awards to an approximate baseline of 50%) and the acceleration of vesting for certain outstanding deferred cash-based incentive compensation awards ('**Discretionary Incentive Compensation Actions**'); and
   - The impact of Debt Valuation Adjustment ('**DVA**') from 2009 to 2015

	Twelve Months Ended						
($MM)	**Dec 31, 2009**	**Dec 31, 2010**	**Dec 31, 2011**	**Dec 31, 2012**	**Dec 31, 2013**	**Dec 31, 2014**	**Dec 31, 2015**
Net Revenues - GAAP	23,434	31,342	32,177	26,265	32,559	34,276	35,242
Adjustment for DVA (a)	5,510	873	(3,681)	4,402	681	(651)	(618)
Adjusted Net Revenues - non-GAAP	28,944	32,215	28,496	30,667	33,240	33,625	34,624
Pre-Tax Profit - GAAP	1,143	6,287	6,187	596	4,558	3,591	8,495
Adjustments for DVA / Other (b)	5,510	873	(3,681)	4,402	681	3,569	(618)
Adjusted Pre-Tax Profit - non-GAAP	6,653	7,160	2,506	4,998	5,239	7,160	7,877

a) DVA represents the change in fair value resulting from fluctuations in our debt credit spreads and other credit factors related to borrowings and other liabilities carried under the fair value option. In 2009 and 2010, Wealth Management ('**WM**') net revenues included DVA of $(41) million and $14 million, respectively, and Investment Management ('**IM**') net revenues included DVA of $(48) million and $(11) million, respectively. All other amounts of DVA from 2009 to 2015 were recorded in Institutional Securities ('**ISG**').

b) Pre-Tax Profit adjustment is the aggregation of the DVA adjustment and in 2014 also includes the expense adjustments of $4,220 million related to the negative Credit Crisis Litigation and Discretionary Incentive Compensation Actions. The full amount of the Credit Crisis Litigation adjustment was recorded in the ISG segment. The Discretionary Incentive Compensation Actions were recorded in the business segments as follows: ISG $(904) million; WM $(88) million; and IM $(145) million.

3. Profitability Mix refers to Pre-Tax Profit distribution by segment.

4. **Client Assets** represent reported WM client assets and IM assets under management ('**AUM**'). WM client assets represent those assets for which WM 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. Certain WM client assets are invested in IM products and are also included in IM's AUM.

End Notes

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

5. Return on average tangible common equity ('**ROTCE**') metrics are based on reported figures. ROTCE utilizes net income applicable to Morgan Stanley less preferred dividends as a percentage of average tangible common equity. Average tangible common equity represents average common equity adjusted to exclude goodwill and intangible assets net of allowable mortgage servicing rights deduction. Reported ROTCE and average tangible common equity are non-GAAP financial measures that the Firm considers useful for analysts, investors and other stakeholders to assess operating performance.

These notes refer to the financial metrics and/or defined terms presented on Slide 4

1. **Ranking** is based on internal analysis of net revenues for Morgan Stanley and peers. Net revenues represent the combination of Wealth Management and Investment Management for the peer set: Bank of America, BlackRock, Charles Schwab, Fidelity, Goldman Sachs, JP Morgan, UBS, and Wells Fargo. The analysis utilizes data for peers that have reported full-year 2023 results as of January 15, 2024. For peers that have not yet reported, excluding Fidelity, net revenues are based on the last twelve months as of September 30, 2023. For Fidelity, net revenues represent 2022 total company revenues. Net revenues for Morgan Stanley represent the addition of Morgan Stanley's WM and IM net revenues for full-year 2023, excluding intersegment activity.
2. Net revenues for 2010 have been adjusted to exclude the positive impact of DVA of approximately $3 million. The adjusted net revenues are a non-GAAP financial measure that the Firm considers useful for analysts, investors and other stakeholders to assess operating performance.

These notes refer to the financial metrics and/or defined terms presented on Slide 5

1. Net revenues for 2010 have been adjusted to exclude the negative impact of DVA of approximately $(876) million. The adjusted net revenues are a non-GAAP financial measure that the Firm considers useful for analysts, investors and other stakeholders to assess operating performance.
2. **Wallet Share** represents the percentage of Morgan Stanley's ISG segment net revenues to the Wallet. The **Wallet** represents Investment Banking, Equity Sales & Trading and Fixed Income Sales & Trading net revenues, where applicable, for Morgan Stanley and the following peer set: Bank of America, Barclays, Citigroup, Deutsche Bank, Goldman Sachs, JP Morgan, and UBS.

   The attainment of these Wallet Share positions assumes a normal market environment and may be impacted by external factors that cannot be predicted at this time, including geopolitical, macroeconomic and market conditions and future legislation and regulations and any changes thereto. Please also refer to the Notice on Slide 2 of this presentation.

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

1. **SCB, ex Dividend Add-On** represents Morgan Stanley's Stress Capital Buffer ('**SCB**'), excluding the dividend add-on. For further information, see "Liquidity and Capital Resources — Regulatory Requirements" in prior period filings of the Company's Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q.
2. **4Q Dividend Per Share** represents the dividend per share in the fourth quarter of each respective year.

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

1. The attainment of these objectives assumes a normal market environment and may be impacted by external factors that cannot be predicted at this time, including geopolitical, macroeconomic and market conditions and future legislation and regulations and any changes thereto. Please also refer to the Notice on Slide 2 of this presentation.

Morgan Stanley

Morgan Stanley: Driving the Integrated Firm

Ted Pick, Chief Executive Officer

January 16, 2024

End of Document

Exhibit 99.2

Morgan Stanley

Fourth Quarter 2023 Earnings Results

Quarterly Financial Supplement | **Page**

Consolidated Financial Summary
(unaudited, dollars in millions)

	Quarter Ended			Percentage Change From:		Twelve Months Ended		Percentage
	Dec 31, 2023	Sep 30, 2023	Dec 31, 2022	Sep 30, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Change
Net revenues								
Institutional Securities	$ 4,940	$ 5,669	$ 4,800	(13%)	3%	$ 23,060	$ 24,393	(5%)
Wealth Management	6,645	6,404	6,626	4%	--	26,268	24,417	8%
Investment Management	1,464	1,336	1,461	10%	--	5,370	5,375	--
Intersegment Eliminations	(153)	(136)	(138)	(13%)	(11%)	(555)	(517)	(7%)
Net revenues (1)	$ 12,896	$ 13,273	$ 12,749	(3%)	1%	$ 54,143	$ 53,668	1%
Provision for credit losses	$ 3	$ 134	$ 87	(98%)	(97%)	$ 532	$ 280	90%
Non-interest expenses								
Institutional Securities	$ 4,510	$ 4,377	$ 3,991	3%	13%	$ 18,183	$ 17,467	4%
Wealth Management	5,236	4,654	4,760	13%	10%	19,607	17,765	10%
Investment Management	1,199	1,095	1,247	9%	(4%)	4,528	4,568	(1%)
Intersegment Eliminations	(148)	(132)	(130)	(12%)	(14%)	(520)	(501)	(4%)
Non-interest expenses (1)(2)	$ 10,797	$ 9,994	$ 9,868	8%	9%	$ 41,798	$ 39,299	6%
Income before provision for income taxes								
Institutional Securities	$ 408	$ 1,199	$ 748	(66%)	(45%)	$ 4,476	$ 6,715	(33%)
Wealth Management	1,428	1,709	1,840	(16%)	(22%)	6,530	6,583	(1%)
Investment Management	265	241	214	10%	24%	842	807	4%
Intersegment Eliminations	(5)	(4)	(8)	(25%)	38%	(35)	(16)	(119%)
Income before provision for income taxes	$ 2,096	$ 3,145	$ 2,794	(33%)	(25%)	$ 11,813	$ 14,089	(16%)
Net Income applicable to Morgan Stanley								
Institutional Securities	$ 304	$ 912	$ 656	(67%)	(54%)	$ 3,453	$ 5,242	(34%)
Wealth Management	1,018	1,320	1,424	(23%)	(29%)	5,022	5,139	(2%)
Investment Management	199	179	162	11%	23%	639	660	(3%)
Intersegment Eliminations	(4)	(3)	(6)	(33%)	33%	(27)	(12)	(125%)
Net Income applicable to Morgan Stanley	$ 1,517	$ 2,408	$ 2,236	(37%)	(32%)	$ 9,087	$ 11,029	(18%)
Earnings applicable to Morgan Stanley common shareholders	$ 1,383	$ 2,262	$ 2,113	(39%)	(35%)	$ 8,530	$ 10,540	(19%)

Notes:
- Firm net revenues excluding mark-to-market gains and losses on deferred cash-based compensation plans (DCP) were: 4Q23: $12,527 million, 3Q23: $13,475 million, 4Q22: $12,555 million, 4Q23 YTD: $53,709 million, 4Q22 YTD: $54,866 million.
- Firm compensation expenses excluding DCP were: 4Q23: $5,597 million, 3Q23: $5,992 million, 4Q22: $5,426 million, 4Q23 YTD: $23,890 million, 4Q22 YTD: $23,769 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:		Twelve Months Ended		Percentage
	Dec 31, 2023	Sep 30, 2023	Dec 31, 2022	Sep 30, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Change
Financial Metrics:								
Earnings per basic share	$ 0.86	$ 1.39	$ 1.28	(38%)	(33%)	$ 5.24	$ 6.23	(16%)
Earnings per diluted share	$ 0.85	$ 1.38	$ 1.26	(38%)	(33%)	$ 5.18	$ 6.15	(16%)
Return on average common equity	6.2%	10.0%	9.2%			9.4%	11.2%	
Return on average tangible common equity	8.4%	13.5%	12.6%			12.8%	15.3%	
Book value per common share	$ 55.50	$ 55.08	$ 54.55			$ 55.50	$ 54.55	
Tangible book value per common share	$ 40.89	$ 40.53	$ 40.06			$ 40.89	$ 40.06	
Financial Ratios:								
Pre-tax profit margin	16%	24%	22%			22%	26%	
Compensation and benefits as a % of net revenues	46%	45%	44%			45%	43%	
Non-compensation expenses as a % of net revenues	38%	31%	33%			32%	30%	
Firm expense efficiency ratio[1]	84%	75%	77%			77%	73%	
Effective tax rate [2]	26.5%	22.6%	18.9%			21.9%	20.7%	
Statistical Data:								
Period end common shares outstanding (millions)	1,627	1,642	1,675	(1%)	(3%)			
Average common shares outstanding (millions)								
Basic	1,606	1,624	1,652	(1%)	(3%)	1,628	1,691	(4%)
Diluted	1,627	1,643	1,679	(1%)	(3%)	1,646	1,713	(4%)
Worldwide employees	80,006	80,710	82,427	(1%)	(3%)			

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:		Twelve Months Ended		Percentage
	Dec 31, 2023	Sep 30, 2023	Dec 31, 2022	Sep 30, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Change
Consolidated Balance sheet								
Total assets	$ 1,193,693	$ 1,169,013	$ 1,180,231	2%	1%			
Loans [1]	$ 226,828	$ 224,957	$ 222,182	1%	2%			
Deposits	$ 351,804	$ 345,458	$ 356,646	2%	(1%)			
Long-term debt outstanding	$ 260,544	$ 242,843	$ 233,867	7%	11%			
Maturities of long-term debt outstanding (next 12 months)	$ 20,151	$ 21,514	$ 18,910	(6%)	7%			
Average liquidity resources	$ 314,504	$ 307,367	$ 312,250	2%	1%			
Common equity	$ 90,288	$ 90,461	$ 91,391	--	(1%)			
Less: Goodwill and intangible assets	(23,761)	(23,900)	(24,268)	(1%)	(2%)			
Tangible common equity	$ 66,527	$ 66,561	$ 67,123	--	(1%)			
Preferred equity	$ 8,750	$ 8,750	$ 8,750	--	--			
U.S. Bank Supplemental Financial Information								
Total assets	$ 396,111	$ 388,098	$ 390,963	2%	1%			
Loans	$ 212,207	$ 209,135	$ 206,344	1%	3%			
Investment securities portfolio [2]	$ 118,008	$ 114,780	$ 123,254	3%	(4%)			
Deposits	$ 346,103	$ 339,927	$ 350,553	2%	(1%)			
Regional revenues								
Americas	$ 10,198	$ 10,268	$ 9,897	(1%)	3%	$ 41,651	$ 40,117	4%
EMEA (Europe, Middle East, Africa)	1,342	1,479	1,430	(9%)	(6%)	6,058	6,811	(11%)
Asia	1,356	1,526	1,422	(11%)	(5%)	6,434	6,740	(5%)
Consolidated net revenues	$ 12,896	$ 13,273	$ 12,749	(3%)	1%	$ 54,143	$ 53,668	1%

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:		Twelve Months Ended		Percentage
	Dec 31, 2023	Sep 30, 2023	Dec 31, 2022	Sep 30, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 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 Company	5.1	6.0	1.1	(15%)	*	6.0	3.5	71%
Firm	$ 89.9	$ 90.8	$ 91.5	(1%)	(2%)	$ 90.8	$ 93.9	(3%)

	Dec 31, 2023	Sep 30, 2023	Dec 31, 2022	Sep 30, 2023	Dec 31, 2022
Regulatory Capital					
Common Equity Tier 1 capital	$ 69.4	$ 69.1	$ 68.7	--	1%
Tier 1 capital	$ 78.2	$ 77.9	$ 77.2	--	1%
Standardized Approach					
Risk-weighted assets	$ 457.3	$ 443.8	$ 447.8	3%	2%
Common Equity Tier 1 capital ratio	15.2%	15.6%	15.3%		
Tier 1 capital ratio	17.1%	17.6%	17.2%		
Advanced Approach					
Risk-weighted assets	$ 450.4	$ 429.1	$ 438.8	5%	3%
Common Equity Tier 1 capital ratio	15.4%	16.1%	15.6%		
Tier 1 capital ratio	17.4%	18.2%	17.6%		
Leverage-based capital					
Tier 1 leverage ratio	6.7%	6.8%	6.7%		
Supplementary Leverage Ratio	5.5%	5.5%	5.5%		

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

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

	Quarter Ended			Percentage Change From:		Twelve Months Ended		Percentage
	Dec 31, 2023	Sep 30, 2023	Dec 31, 2022	Sep 30, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Change
Revenues:								
Advisory	$ 702	$ 449	$ 711	56%	(1%)	$ 2,244	$ 2,946	(24%)
Equity	225	237	227	(5%)	(1%)	889	851	4%
Fixed income	391	252	314	55%	25%	1,445	1,438	--
Underwriting	616	489	541	26%	14%	2,334	2,289	2%
Investment banking	1,318	938	1,252	41%	5%	4,578	5,235	(13%)
Equity	2,202	2,507	2,176	(12%)	1%	9,986	10,769	(7%)
Fixed income	1,434	1,947	1,418	(26%)	1%	7,673	9,022	(15%)
Other	(14)	277	(46)	*	70%	823	(633)	*
Net revenues	4,940	5,669	4,800	(13%)	3%	23,060	24,393	(5%)
Provision for credit losses	22	93	61	(76%)	(64%)	401	211	90%
Compensation and benefits	1,732	2,057	1,644	(16%)	5%	8,369	8,246	1%
Non-compensation expenses	2,778	2,320	2,347	20%	18%	9,814	9,221	6%
Total non-interest expenses	4,510	4,377	3,991	3%	13%	18,183	17,467	4%
Income before provision for income taxes	408	1,199	748	(66%)	(45%)	4,476	6,715	(33%)
Net income applicable to Morgan Stanley	$ 304	$ 912	$ 656	(67%)	(54%)	$ 3,453	$ 5,242	(34%)
Pre-tax profit margin	8%	21%	16%			19%	28%	
Compensation and benefits as a % of net revenues	35%	36%	34%			36%	34%	
Non-compensation expenses as a % of net revenues	56%	41%	49%			43%	38%	
Return on Average Common Equity	2%	7%	5%			7%	10%	
Return on Average Tangible Common Equity (1)	2%	7%	5%			7%	10%	
Trading VaR (Average Daily 95% / One-Day VaR)	$ 46	$ 48	$ 64					

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

	Quarter Ended			Percentage Change From:		Twelve Months Ended		Percentage
	Dec 31, 2023	Sep 30, 2023	Dec 31, 2022	Sep 30, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Change
Revenues:								
Asset management	$ 3,556	$ 3,629	$ 3,347	(2%)	6%	$ 14,019	$ 13,872	1%
Transactional	1,088	678	931	60%	17%	3,556	2,473	44%
Net interest income	1,852	1,952	2,138	(5%)	(13%)	8,118	7,429	9%
Other	149	145	210	3%	(29%)	575	643	(11%)
Net revenues (1)	6,645	6,404	6,626	4%	--	26,268	24,417	8%
Provision for credit losses	(19)	41	26	*	*	131	69	90%
Compensation and benefits (1)	3,640	3,352	3,343	9%	9%	13,972	12,534	11%
Non-compensation expenses	1,596	1,302	1,417	23%	13%	5,635	5,231	8%
Total non-interest expenses	5,236	4,654	4,760	13%	10%	19,607	17,765	10%
Income before provision for income taxes	1,428	1,709	1,840	(16%)	(22%)	6,530	6,583	(1%)
Net income applicable to Morgan Stanley	$ 1,018	$ 1,320	$ 1,424	(23%)	(29%)	$ 5,022	$ 5,139	(2%)
Pre-tax profit margin	21%	27%	28%			25%	27%	
Compensation and benefits as a % of net revenues	55%	52%	50%			53%	51%	
Non-compensation expenses as a % of net revenues	24%	20%	21%			21%	21%	
Return on Average Common Equity	14%	18%	18%			17%	16%	
Return on Average Tangible Common Equity (2)	27%	35%	34%			33%	31%	

Notes:
- Wealth Management net revenues excluding DCP were: 4Q23: $6,403 million, 3Q23: $6,547 million, 4Q22: $6,520 million, 4Q23 YTD: $25,986 million, 4Q22 YTD: $25,275 million.
- Wealth Management compensation expenses excluding DCP were: 4Q23: $3,406 million, 3Q23: $3,400 million, 4Q22: $3,228 million, 4Q23 YTD: $13,560 million, 4Q22 YTD: $13,064 million.
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Wealth Management
Financial Information and Statistical Data
(unaudited, dollars in billions)

	Quarter Ended			Percentage Change From:	
	Dec 31, 2023	Sep 30, 2023	Dec 31, 2022	Sep 30, 2023	Dec 31, 2022
Wealth Management Metrics					
Total client assets	$ 5,129	$ 4,798	$ 4,187	7%	22%
Net new assets	$ 47.5	$ 35.7	$ 51.6	33%	(8%)
U.S. Bank loans	$ 146.5	$ 145.8	$ 146.1	--	--
Margin and other lending(1)	$ 21.4	$ 23.1	$ 22.0	(7%)	(3%)
Deposits (2)	$ 346	$ 340	$ 351	2%	(1%)
Annualized weighted average cost of deposits					
Period end	2.92%	2.86%	1.59%		
Period average	2.86%	2.69%	1.32%		
Advisor-led channel					
Advisor-led client assets	$ 3,979	$ 3,755	$ 3,392	6%	17%
Fee-based client assets	$ 1,983	$ 1,857	$ 1,678	7%	18%
Fee-based asset flows	$ 41.6	$ 22.5	$ 20.4	85%	104%
Fee-based assets as a % of advisor-led client assets	50%	49%	49%		
Self-directed channel					
Self-directed client assets	$ 1,150	$ 1,043	$ 795	10%	45%
Daily average revenue trades (000's)	705	735	755	(4%)	(7%)
Self-directed households (millions)	8.1	8.1	8.0	--	1%
Workplace channel					
Stock plan unvested assets	$ 416	$ 377	$ 302	10%	38%
Number of stock plan participants (millions)	6.6	6.6	6.3	--	5%

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

	Quarter Ended			Percentage Change From:		Twelve Months Ended		Percentage
	Dec 31, 2023	Sep 30, 2023	Dec 31, 2022	Sep 30, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Change
Revenues:								
Asset management and related fees	$ 1,403	$ 1,312	$ 1,371	7%	2%	$ 5,231	$ 5,332	(2%)
Performance-based income and other	61	24	90	154%	(32%)	139	43	*
Net revenues	1,464	1,336	1,461	10%	--	5,370	5,375	--
Compensation and benefits	579	526	628	10%	(8%)	2,217	2,273	(2%)
Non-compensation expenses	620	569	619	9%	--	2,311	2,295	1%
Total non-interest expenses	1,199	1,095	1,247	9%	(4%)	4,528	4,568	(1%)
Income before provision for income taxes	265	241	214	10%	24%	842	807	4%
Net income applicable to Morgan Stanley	$ 199	$ 179	$ 162	11%	23%	$ 639	$ 660	(3%)
Pre-tax profit margin	18%	18%	15%			16%	15%	
Compensation and benefits as a % of net revenues	40%	39%	43%			41%	42%	
Non-compensation expenses as a % of net revenues	42%	43%	42%			43%	43%	
Return on Average Common Equity	8%	7%	6%			6%	6%	
Return on Average Tangible Common Equity (1)	110%	98%	85%			88%	86%	

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

	Quarter Ended			Percentage Change From:		Twelve Months Ended		Percentage
	Dec 31, 2023	Sep 30, 2023	Dec 31, 2022	Sep 30, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Change
Assets under management or supervision (AUM)								
Net flows by asset class								
Equity	$ (6.5)	$ (5.5)	$ (6.1)	(18%)	(7%)	$ (19.4)	$ (24.9)	22%
Fixed Income	(0.2)	(2.1)	(3.8)	90%	95%	(9.3)	(15.3)	39%
Alternatives and Solutions	(0.4)	0.8	3.9	*	*	13.5	14.4	(6%)
Long-Term Net Flows	(7.1)	(6.8)	(6.0)	(4%)	(18%)	(15.2)	(25.8)	41%
Liquidity and Overlay Services	(6.6)	5.7	(18.5)	*	64%	22.7	(47.8)	*
Total Net Flows	$ (13.7)	$ (1.1)	$ (24.5)	*	44%	$ 7.5	$ (73.6)	*
Assets under management or supervision by asset class								
Equity	$ 295	$ 272	$ 259	8%	14%			
Fixed Income	171	163	173	5%	(1%)			
Alternatives and Solutions	508	472	431	8%	18%			
Long-Term Assets Under Management or Supervision	$ 974	$ 907	$ 863	7%	13%			
Liquidity and Overlay Services	485	481	442	1%	10%			
Total Assets Under Management or Supervision	$ 1,459	$ 1,388	$ 1,305	5%	12%			

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

	Quarter Ended			Percentage Change From:	
	Dec 31, 2023	Sep 30, 2023	Dec 31, 2022	Sep 30, 2023	Dec 31, 2022
Institutional Securities					
Loans:					
Corporate	$ 18.4	$ 18.0	$ 17.0	2%	8%
Secured lending facilities	42.5	41.8	38.6	2%	10%
Commercial and residential real estate	11.7	11.4	11.7	3%	--
Securities-based lending and other	7.2	7.4	8.5	(3%)	(15%)
Total Loans	79.8	78.6	75.8	2%	5%
Lending Commitments	130.4	128.7	119.7	1%	9%
Institutional Securities Loans and Lending Commitments	$ 210.2	$ 207.3	$ 195.5	1%	8%
Wealth Management					
Loans:					
Securities-based lending and other	$ 86.2	$ 87.0	$ 91.7	(1%)	(6%)
Residential real estate	60.3	58.9	54.4	2%	11%
Total Loans	146.5	145.9	146.1	--	--
Lending Commitments	19.6	19.1	17.3	3%	13%
Wealth Management Loans and Lending Commitments	$ 166.1	$ 165.0	$ 163.4	1%	2%
Consolidated Loans and Lending Commitments (1)	$ 376.3	$ 372.3	$ 358.9	1%	5%

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

	Loans and Lending Commitments *(Gross)*	ACL[1]	ACL %	Q4 Provision
Loans:				
Held For Investment (HFI)				
Corporate	$ 6,758	$ 241	3.6%	$ (7)
Secured lending facilities	39,498	153	0.4%	(3)
Commercial and residential real estate	8,678	463	5.3%	52
Other	2,818	17	0.6%	-
Institutional Securities - HFI	$ 57,752	$ 874	1.5%	$ 42
Wealth Management - HFI	146,798	295	0.2%	(16)
Held For Investment	$ 204,550	$ 1,169	0.6%	$ 26
Held For Sale	15,255			
Fair Value	7,733			
Total Loans	227,538	1,169		26
Lending Commitments	149,973	551	0.4%	(23)
Consolidated Loans and Lending Commitments	$ 377,511	$ 1,720		$ 3

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 Company 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 December 31, 2023, September 30, 2023 and December 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 Company 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 Company 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 December 31, 2023, September 30, 2023 and December 31, 2022. The period average is based on daily 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:

	4Q23	3Q23	4Q22	4Q23 YTD	4Q22 YTD
Net revenues	$ 12,896	$ 13,273	$ 12,749	$ 54,143	$ 53,668
Adjustment for mark-to-market on DCP	(369)	202	(194)	(434)	1,198
Adjusted Net revenues - non-GAAP	$ 12,527	$ 13,475	$ 12,555	$ 53,709	$ 54,866
Compensation expense	$ 5,951	$ 5,935	$ 5,615	$ 24,558	$ 23,053
Adjustment for mark-to-market on DCP	(354)	57	(189)	(668)	716
Adjusted Compensation expense - non-GAAP	$ 5,597	$ 5,992	$ 5,426	$ 23,890	$ 23,769

- 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:

	4Q23	3Q23	4Q22	4Q23 YTD	4Q22 YTD
Compensation and benefits (a)	$ 5,951	$ 5,935	$ 5,615	$ 24,558	$ 23,053
Non-compensation expenses:					
Brokerage, clearing and exchange fees	865	855	851	3,476	3,458
Information processing and communications	987	947	933	3,775	3,493
Professional services	822	759	853	3,058	3,070
Occupancy and equipment	528	456	443	1,895	1,729
Marketing and business development	224	191	295	898	905
Other (b)(c)	1,420	851	878	4,138	3,591
Total non-compensation expenses	4,846	4,059	4,253	17,240	16,246
Total non-interest expenses	$ 10,797	$ 9,994	$ 9,868	$ 41,798	$ 39,299

(a) The Firm recorded severance costs of $353 million and $133 million, respectively, for the twelve months ended December 31, 2023 and 2022, associated with employee actions. The severance costs were reported in the business segments' results as follows: Institutional Securities: 4Q23 YTD: $220 million and 4Q22 YTD: $88 million; Wealth Management: 4Q23 YTD: $105 million and 4Q22 YTD: $30 million; Investment Management: 4Q23 YTD: $28 million and 4Q22 YTD: $15 million

(b) For the quarter and twelve months ended December 31, 2023, Firm results included a one-time FDIC Special Assessment of $286 million and was reported in the business segments' results as follows: Institutional Securities: 4Q23 and 4Q23 YTD: $121 million; Wealth Management: 4Q23 and 4Q23 YTD: $165 million

(c) For the quarter and twelve months ended December 31, 2023, Firm results included a litigation reserve of $249 million related to a specific legal matter, reported in the Institutional Securities business segment.

Page 2:

(1) (a) For the quarter and twelve months ended December 31, 2023, Firm results included pre-tax integration-related expenses of $49 million and $293 million, respectively. For the quarter and twelve months ended December 31, 2022, Firm results included pre-tax integration-related expenses of $120 million and $470 million, respectively. The pre-tax integration-related expenses were reported in the business segments' results as follows: Wealth Management: 4Q23: $30 million, 4Q23 YTD: $201 million, 4Q22: $94 million, 4Q22 YTD: $357 million; Investment Management: 4Q23: $19 million, 4Q23 YTD: $92 million, 4Q22: $26 million, 4Q22 YTD: $113 million

(b) For the quarter and twelve months ended December 31, 2023, Firm results included a one-time FDIC Special Assessment of $286 million and was reported in the business segments' results as follows: Institutional Securities: 4Q23 and 4Q23 YTD: $121 million; Wealth Management: 4Q23 and 4Q23 YTD: $165 million

(c) For the quarter and twelve months ended December 31, 2023, Firm results included a litigation reserve of $249 million related to a specific legal matter, reported in the Institutional Securities business segment.

(2) The effective tax rate for the current quarter and full year reflect the non-deductability of certain items.

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 December 31, 2023, September 30, 2023 and December 31, 2022, the U.S. Bank investment securities portfolio included held to maturity investment securities of $51.4 billion, $54.0 billion and $56.4 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: 4Q23: $471mm; 3Q23: $471mm; 4Q22: $576mm; 4Q23 YTD: $471mm; 4Q22 YTD: $576mm

Supplemental Quantitative Details and Calculations

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:

	4Q23	3Q23	4Q22	4Q23 YTD	4Q22 YTD
Net revenues	$ 6,645	$ 6,404	$ 6,626	$ 26,268	$ 24,417
Adjustment for mark-to-market on DCP	(242)	143	(106)	(282)	858
Adjusted Net revenues - non-GAAP	$ 6,403	$ 6,547	$ 6,520	$ 25,986	$ 25,275
Compensation expense	$ 3,640	$ 3,352	$ 3,343	$ 13,972	$ 12,534
Adjustment for mark-to-market on DCP	(234)	48	(115)	(412)	530
Adjusted Compensation expense - non-GAAP	$ 3,406	$ 3,400	$ 3,228	$ 13,560	$ 13,064

(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: 4Q23: $14,075mm; 3Q23: $14,075mm; 4Q22: $14,746mm; 4Q23 YTD: $14,075mm; 4Q22 YTD: $14,746mm

Page 7:

(1) Wealth Management other lending included $2 billion of non-purpose securities based lending on non-bank entities in each period ended December 31, 2023, September 30, 2023 and December 31, 2022.

(2) For the quarters ended December 31, 2023, September 30, 2023 and December 31, 2022, Wealth Management deposits of $346 billion, $340 billion and $351 billion, respectively, exclude off-balance sheet deposits of $6 billion held by third parties outside of Morgan Stanley as of December 31, 2022 and none as of December 31, 2023 and September 30, 2023. Total deposits details are as follows:

	4Q23	3Q23	4Q22
Brokerage sweep deposits	$ 145	$ 143	$ 198
Other deposits	201	197	153
Total balance sheet deposits	346	340	351
Off-balance sheet deposits	-	-	6
Total deposits	$ 346	$ 340	$ 357

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: 4Q23: $9,687mm; 3Q23: $9,687mm; 4Q22: $9,815mm; 4Q23 YTD: $9,687mm; 4Q22 YTD: $9,815mm

Page 10:

(1) For the quarters ended December 31, 2023, September 30, 2023 and December 31, 2022, Investment Management reflected loan balances of $459 million, $431 million and $222 million, respectively.

Page 11:

(1) For the quarter ended December 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 - September 30, 2023	$ 845	$ 312	$ 1,157
Net Charge Offs	(24)	(1)	(25)
Provision	42	(16)	26
Other	11	-	11
Ending Balance - December 31, 2023	$ 874	$ 295	$ 1,169
Lending Commitments			
Allowance for Credit Losses (ACL)			
Beginning Balance - September 30, 2023	$ 547	$ 22	$ 569
Net Charge Offs	-	-	-
Provision	(20)	(3)	(23)
Other	6	(1)	5
Ending Balance - December 31, 2023	$ 533	$ 18	$ 551
Loans and Lending Commitments			
Allowance for Credit Losses (ACL)			
Beginning Balance - September 30, 2023	$ 1,392	$ 334	$ 1,726
Net Charge Offs	(24)	(1)	(25)
Provision	22	(19)	3
Other	17	(1)	16
Ending Balance - December 31, 2023	$ 1,407	$ 313	$ 1,720

Legal Notice

This Financial Supplement contains financial, statistical and business-related information, as well as business and segment trends. The information should be read in conjunction with the Firm's fourth quarter earnings press release issued January 16, 2024.

End of Document

Morgan Stanley Fourth Quarter and Full Year 2023 Earnings Results

Morgan Stanley Reports Fourth Quarter Net Revenues of $12.9 Billion, EPS of $0.85 and ROTCE of 8.4%; Full Year Net Revenues of $54.1 Billion, EPS of $5.18 and ROTCE of 12.8%

NEW YORK, January 16, 2024 – Morgan Stanley (NYSE: MS) today reported net revenues of $12.9 billion for the fourth quarter ended December 31, 2023 compared with $12.7 billion a year ago. Net income applicable to Morgan Stanley was $1.5 billion, or $0.85 per diluted share,[1] compared with $2.2 billion, or $1.26 per diluted share,[1] for the same period a year ago.

Pre-tax income for the fourth quarter includes $535 million of charges or $0.28 per diluted share[1,2]: $286 million related to an FDIC special assessment and a $249 million legal charge related to a specific matter.

Full year net revenues were $54.1 billion compared with $53.7 billion a year ago. Net income applicable to Morgan Stanley was $9.1 billion, or $5.18 per diluted share,[1] compared with $11.0 billion, or $6.15 per diluted share,[1] a year ago.

Ted Pick, Chief Executive Officer, said, *"In 2023, the Firm reported a solid ROTCE against a mixed market backdrop and a number of headwinds. We begin 2024 with a clear and consistent business strategy and a unified leadership team. We are focused on achieving our long-term financial goals and continuing to deliver for shareholders."*

Financial Summary[3,4]

Firm ($MM, except per share data)	4Q 2023	4Q 2022	FY 2023	FY 2022
Net revenues	$ 12,896	$ 12,749	$ 54,143	$ 53,668
Provision for credit losses	$ 3	$ 87	$ 532	$ 280
Compensation expense	$ 5,951	$ 5,615	$ 24,558	$ 23,053
Non-compensation expenses	$ 4,846	$ 4,253	$ 17,240	$ 16,246
Pre-tax income[7]	$ 2,096	$ 2,794	$ 11,813	$ 14,089
Net income app. to MS	$ 1,517	$ 2,236	$ 9,087	$ 11,029
Expense efficiency ratio[9]	84%	77%	77%	73%
Earnings per diluted share[1]	$ 0.85	$ 1.26	$ 5.18	$ 6.15
Book value per share	$ 55.50	$ 54.55	$ 55.50	$ 54.55
Tangible book value per share	$ 40.89	$ 40.06	$ 40.89	$ 40.06
Return on equity	6.2%	9.2%	9.4%	11.2%
Return on tangible equity[5]	8.4%	12.6%	12.8%	15.3%
Institutional Securities				
Net revenues	$ 4,940	$ 4,800	$ 23,060	$ 24,393
Investment Banking	$ 1,318	$ 1,252	$ 4,578	$ 5,235
Equity	$ 2,202	$ 2,176	$ 9,986	$ 10,769
Fixed Income	$ 1,434	$ 1,418	$ 7,673	$ 9,022
Wealth Management				
Net revenues	$ 6,645	$ 6,626	$ 26,268	$ 24,417
Fee-based client assets ($Bn)[10]	$ 1,983	$ 1,678	$ 1,983	$ 1,678
Fee-based asset flows ($Bn)[11]	$ 41.6	$ 20.4	$ 109.2	$ 162.8
Net new assets ($Bn)[12]	$ 47.5	$ 51.6	$ 282.3	$ 311.3
Loans ($Bn)	$ 146.5	$ 146.1	$ 146.5	$ 146.1
Investment Management				
Net revenues	$ 1,464	$ 1,461	$ 5,370	$ 5,375
AUM ($Bn)[13]	$ 1,459	$ 1,305	$ 1,459	$ 1,305
Long-term net flows ($Bn)[14]	$ (7.1)	$ (6.0)	$ (15.2)	$ (25.8)

Full Year Highlights

- The Firm reported full year net revenues of $54.1 billion and net income of $9.1 billion.
- The Firm delivered full year ROTCE of 12.8%.[5]
- The full year Firm expense efficiency ratio was 77%.[9] The full year was negatively impacted by expenses related to severance costs of $353 million, an FDIC special assessment of $286 million, a $249 million legal charge related to a specific matter, and integration-related expenses of $293 million.
- Standardized Common Equity Tier 1 capital ratio was 15.2%.[18]
- Institutional Securities reported full year net revenues of $23.1 billion reflecting lower completed activity in Investment Banking and lower results in Equity and Fixed Income on reduced client activity and a less favorable market environment compared to a year ago.
- Wealth Management delivered full year net revenues of $26.3 billion, reflecting mark-to-market gains on investments associated with DCP versus losses a year ago and higher net interest income.[6] The pre-tax margin was 24.9%.[7,8] The business added net new assets of $282 billion, representing a full-year 7% annualized growth rate from beginning period assets.[12]
- Investment Management reported full year net revenues of $5.4 billion and AUM increased to $1.5 trillion.[13]

Media Relations: Wesley McDade 212-761-2430

Investor Relations: Leslie Bazos 212-761-5352

Fourth Quarter Results

Institutional Securities

Institutional Securities reported net revenues for the current quarter of $4.9 billion compared with $4.8 billion a year ago. Pre-tax income was $408 million compared with $748 million a year ago.[7]

Investment Banking revenues up 5% from a year ago:

- Advisory revenues were essentially unchanged from a year ago reflecting completed M&A activity in the current quarter.
- Equity underwriting revenues were essentially unchanged from a year ago.
- Fixed income underwriting revenues increased 25% from a year ago on higher investment grade issuances.

Equity net revenues:

- Equity net revenues were essentially unchanged from a year ago. The absence of markdowns on certain strategic investments versus a year ago were offset by increased funding and liquidity costs.

Fixed Income net revenues:

- Fixed Income net revenues were essentially unchanged versus a year ago reflecting higher revenues in commodities driven by improved market conditions and increased client activity partially offset by lower results in credit products.

Other:

- Other revenues for the quarter reflect mark-to-market losses on corporate loans, inclusive of loan hedges, of $405 million. These losses were partially offset by net interest income and fees on corporate loans of $248 million, mark-to-market gains on DCP and revenues from our Japanese securities joint venture.

($ millions)	4Q 2023	4Q 2022
Net Revenues	**$ 4,940**	**$ 4,800**
Investment Banking	**$ 1,318**	**$ 1,252**
Advisory	$ 702	$ 711
Equity underwriting	$ 225	$ 227
Fixed income underwriting	$ 391	$ 314
Equity	**$ 2,202**	**$ 2,176**
Fixed Income	**$ 1,434**	**$ 1,418**
Other	**$ (14)**	**$ (46)**
Provision for credit losses	**$ 22**	**$ 61**
Total Expenses	**$ 4,510**	**$ 3,991**
Compensation	$ 1,732	$ 1,644
Non-compensation	$ 2,778	$ 2,347

Total Expenses:

- Compensation expense increased from a year ago reflecting higher discretionary compensation, partially offset by lower expenses related to outstanding deferred equity compensation and significantly lower severance costs due to an employee action a year ago.
- Non-compensation expenses increased from a year ago primarily driven by higher legal expenses including a specific matter of $249 million and an FDIC special assessment of $121 million.[15]

Wealth Management

Wealth Management net revenues of $6.6 billion in the current quarter were essentially unchanged from a year ago. Pre-tax income of $1.4 billion[7] in the current quarter resulted in a pre-tax margin of 21.5%.[8]

Net revenues:

- Asset management revenues increased from a year ago reflecting higher asset levels and the impact of positive fee-based flows.
- Transactional revenues were essentially unchanged excluding the impact of mark-to-market on investments associated with DCP.[6,16]
- Net interest income decreased from a year ago driven by changes in deposit mix, partially offset by higher interest rates.

Total Expenses:

- Compensation expense increased from a year ago driven by higher compensable revenues and higher expenses related to DCP.[6]
- Non-compensation expenses increased from a year ago primarily driven by an FDIC special assessment of $165 million, partially offset by lower marketing and business development costs.[15]

($ millions)	4Q 2023	4Q 2022
Net Revenues	**$ 6,645**	**$ 6,626**
Asset management	$ 3,556	$ 3,347
Transactional	$ 1,088	$ 931
Net interest	$ 1,852	$ 2,138
Other	$ 149	$ 210
Provision for credit losses	**$ (19)**	**$ 26**
Total Expenses	**$ 5,236**	**$ 4,760**
Compensation	$ 3,640	$ 3,343
Non-compensation	$ 1,596	$ 1,417

Investment Management

Investment Management net revenues of $1.5 billion were essentially unchanged from a year ago. Pre-tax income was $265 million compared with $214 million a year ago.[7]

Net revenues:

- Asset management and related fees increased from a year ago on higher average AUM driven by increased asset values.
- Performance-based income and other revenues decreased from a year ago primarily due to lower accrued carried interest in our private funds partially offset by mark-to-market gains on public investments compared to losses a year ago.

Total Expenses:

- Compensation expense decreased from a year ago, primarily driven by lower compensation associated with carried interest.

($ millions)	4Q 2023	4Q 2022
Net Revenues	**$ 1,464**	**$ 1,461**
Asset management and related fees	$ 1,403	$ 1,371
Performance-based income and other	$ 61	$ 90
Total Expenses	**$ 1,199**	**$ 1,247**
Compensation	$ 579	$ 628
Non-compensation	$ 620	$ 619

Full Year Results

Institutional Securities

Institutional Securities reported net revenues of $23.1 billion compared with $24.4 billion a year ago. Pre-tax income was $4.5 billion compared with $6.7 billion a year ago.[7]

Investment Banking revenues down 13%:

- Advisory revenues decreased driven by fewer completed M&A transactions on lower market volumes.
- Equity underwriting revenues were essentially unchanged. Higher secondary and convertible offerings were offset by lower IPOs.
- Fixed income underwriting revenues were essentially unchanged from a year ago as higher investment grade issuances were offset by lower non-investment grade issuances.

Equity net revenues down 7%:

- Equity net revenues decreased across businesses primarily on lower client activity and increased funding and liquidity costs compared to a year ago.

Fixed Income net revenues down 15%:

- Fixed Income net revenues decreased from a strong prior year, primarily driven by declines in foreign exchange and commodities on less favorable market conditions and lower client activity.

Other:

- Other revenues for the year reflect net interest income and fees on corporate loans of $1 billion and revenues from our Japanese securities joint venture, partially offset by mark-to-market losses on corporate loans, inclusive of loan hedges, of $577 million.

($ millions)	FY 2023	FY 2022
Net Revenues	**$ 23,060**	**$ 24,393**
Investment Banking	**$ 4,578**	**$ 5,235**
Advisory	$ 2,244	$ 2,946
Equity underwriting	$ 889	$ 851
Fixed income underwriting	$ 1,445	$ 1,438
Equity	**$ 9,986**	**$ 10,769**
Fixed Income	**$ 7,673**	**$ 9,022**
Other	**$ 823**	**$ (633)**
Provision for credit losses	**$ 401**	**$ 211**
Total Expenses	**$ 18,183**	**$ 17,467**
Compensation	$ 8,369	$ 8,246
Non-compensation	$ 9,814	$ 9,221

Provision for credit losses:

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

Total Expenses:

- Compensation expense was essentially unchanged from a year ago as higher expenses related to DCP and stock-based compensation plans were offset by lower expenses related to outstanding deferred equity compensation.[6]
- Non-compensation expenses increased from a year ago on investments in technology, an FDIC special assessment of $121 million, and higher legal costs inclusive of $249 million related to a specific matter.[15]

Wealth Management

Wealth Management reported net revenues of $26.3 billion compared with $24.4 billion a year ago. Pre-tax income of $6.5 billion[7] in the current year resulted in a pre-tax margin of 24.9%.[8]

Net revenues up 8%:

- Asset management revenues increased from a year ago on positive fee-based flows, partially offset by a reduction driven by lower average asset levels due to declines in the markets and changes in the mix of existing client portfolios.
- Transactional revenues were essentially unchanged excluding the impact of mark-to-market gains of $282 million in the current year versus mark-to-market losses of $858 million a year ago on investments associated with DCP.[6,16]
- Net interest income increased from a year ago on higher interest rates, partially offset by changes in deposit mix.

($ millions)		FY 2023		FY 2022
Net Revenues	**$**	**26,268**	**$**	**24,417**
Asset management	$	14,019	$	13,872
Transactional	$	3,556	$	2,473
Net interest	$	8,118	$	7,429
Other	$	575	$	643
Provision for credit losses	**$**	**131**	**$**	**69**
Total Expenses	**$**	**19,607**	**$**	**17,765**
Compensation	$	13,972	$	12,534
Non-compensation	$	5,635	$	5,231

Provision for Credit Losses:

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

Total Expenses:

- Compensation expense increased driven by higher expenses related to DCP versus a year ago.[6]
- Non-compensation expenses increased primarily driven by an FDIC special assessment of $165 million and higher technology expenses and costs related to exits of real estate.[15]

Investment Management

Investment Management net revenues of $5.4 billion were essentially unchanged from a year ago. Pre-tax income was $842 million compared with $807 million a year ago.[7]

Net revenues:

- Asset management and related fees decreased due to a shift in the mix of average AUM, driven by the cumulative effect of net flows.[13]
- Performance-based income and other revenues increased from a year ago on mark-to-market gains compared to losses a year ago on investments associated with DCP and on public investments, partially offset by lower accrued carried interest in our private funds.[6]

($ millions)		FY 2023		FY 2022
Net Revenues	**$**	**5,370**	**$**	**5,375**
Asset management and related fees	$	5,231	$	5,332
Performance-based income and other	$	139	$	43
Total Expenses	**$**	**4,528**	**$**	**4,568**
Compensation	$	2,217	$	2,273
Non-compensation	$	2,311	$	2,295

Total Expenses:

- Compensation expense decreased from a year ago driven by lower compensation associated with carried interest, partially offset by gains related to DCP compared with losses a year ago.[6]

Other Matters

- The Firm repurchased $1.3 billion of its outstanding common stock during the quarter, and $5.3 billion during the year as part of its Share Repurchase Program.
- The Board of Directors declared a $0.85 quarterly dividend per share, payable on February 15, 2024 to common shareholders of record on January 31, 2024.
- The effective tax rate for the current quarter was 26.5% and for the full year was 21.9%. The higher current quarter rate primarily reflects the non-deductibility of a specific legal matter.

	4Q 2023	4Q 2022	FY 2023	FY 2022
Common Stock Repurchases				
Repurchases ($MM)	$ 1,300	$ 1,700	$ 5,300	$ 9,865
Number of Shares (MM)	17	20	62	113
Average Price	$ 75.23	$ 86.07	$ 85.35	$ 87.25
Period End Shares (MM)	1,627	1,675	1,627	1,675
Tax Rate	26.5%	18.9%	21.9%	20.7%
Capital[17]				
Standardized Approach				
CET1 capital[18]	15.2%	15.3%		
Tier 1 capital[18]	17.1%	17.2%		
Advanced Approach				
CET1 capital[18]	15.4%	15.6%		
Tier 1 capital[18]	17.4%	17.6%		
Leveraged-based capital				
Tier 1 leverage[19]	6.7%	6.7%		
SLR[20]	5.5%	5.5%		

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 for the fourth quarter of 2023 and 2022 of approximately $134 million and $123 million, respectively. Includes preferred dividends related to the calculation of earnings per share for the years ended 2023 and 2022 of approximately $557 million and $489 million, respectively.

[2] The Firm recorded a one-time FDIC Special Assessment of $286 million pre-tax ($218 million post-tax) and a legal charge related to a specific matter of $249 million pre-tax ($234 million post-tax) which negatively impacted earnings per diluted shares by $0.28.

[3] 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.

[4] 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.

[5] 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.

[6] "DCP" refers to certain employee deferred cash-based compensation programs. Please refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations – Other Matters – Deferred Cash-Based Compensation" in the Firm's Annual Report on Form 10-K for the year ended December 31, 2022.

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

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

[9] The expense efficiency ratio represents total non-interest expenses as a percentage of net revenues.

[10] 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.

[11] 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.

[12] 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.

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

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

[15] Following the failures of certain banks and resulting losses to the FDIC's Deposit Insurance Fund in the first half of 2023, the FDIC adopted a final rule on November, 16 2023 to implement a special assessment to recover the cost associated with protecting uninsured depositors. We recorded the cost of the entire special assessment of $286 million in the fourth quarter of 2023. Of the $286 million, $121 million was recorded in the Institutional Securities segment and $165 million was recorded in the Wealth Management segment.

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

[17] Capital ratios are estimates as of the press release date, January 16, 2024.

[18]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.

[19] 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.

[20] The Firm's supplementary leverage ratio (SLR) utilizes a Tier 1 capital numerator of approximately $78.2 billion and $77.2 billion, and supplementary leverage exposure denominator of approximately $1.43 trillion and $1.40 trillion, for the fourth quarter of 2023 and 2022, respectively.

Consolidated Income Statement Information
(unaudited, dollars in millions)

	Quarter Ended			Percentage Change From:		Twelve Months Ended		Percentage
	Dec 31, 2023	Sep 30, 2023	Dec 31, 2022	Sep 30, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Change
Revenues:								
Investment banking	$ 1,415	$ 1,048	$ 1,318	35%	7%	$ 4,948	$ 5,599	(12%)
Trading	3,305	3,679	3,017	(10%)	10%	15,263	13,928	10%
Investments	189	144	85	31%	122%	573	15	*
Commissions and fees	1,110	1,098	1,169	1%	(5%)	4,537	4,938	(8%)
Asset management	5,041	5,031	4,803	--	5%	19,617	19,578	--
Other	(61)	296	38	*	*	975	283	*
Total non-interest revenues	10,999	11,296	10,430	(3%)	5%	45,913	44,341	4%
Interest income	14,058	13,305	9,232	6%	52%	50,281	21,595	133%
Interest expense	12,161	11,328	6,913	7%	76%	42,051	12,268	*
Net interest	1,897	1,977	2,319	(4%)	(18%)	8,230	9,327	(12%)
Net revenues	12,896	13,273	12,749	(3%)	1%	54,143	53,668	1%
Provision for credit losses	3	134	87	(98%)	(97%)	532	280	90%
Non-interest expenses:								
Compensation and benefits	5,951	5,935	5,615	--	6%	24,558	23,053	7%
Non-compensation expenses:								
Brokerage, clearing and exchange fees	865	855	851	1%	2%	3,476	3,458	1%
Information processing and communications	987	947	933	4%	6%	3,775	3,493	8%
Professional services	822	759	853	8%	(4%)	3,058	3,070	--
Occupancy and equipment	528	456	443	16%	19%	1,895	1,729	10%
Marketing and business development	224	191	295	17%	(24%)	898	905	(1%)
Other	1,420	851	878	67%	62%	4,138	3,591	15%
Total non-compensation expenses	4,846	4,059	4,253	19%	14%	17,240	16,246	6%
Total non-interest expenses	10,797	9,994	9,868	8%	9%	41,798	39,299	6%
Income before provision for income taxes	2,096	3,145	2,794	(33%)	(25%)	11,813	14,089	(16%)
Provision for income taxes	555	710	528	(22%)	5%	2,583	2,910	(11%)
Net income	$ 1,541	$ 2,435	$ 2,266	(37%)	(32%)	$ 9,230	$ 11,179	(17%)
Net income applicable to nonredeemable noncontrolling interests	24	27	30	(11%)	(20%)	143	150	(5%)
Net income applicable to Morgan Stanley	1,517	2,408	2,236	(37%)	(32%)	9,087	11,029	(18%)
Preferred stock dividend	134	146	123	(8%)	9%	557	489	14%
Earnings applicable to Morgan Stanley common shareholders	$ 1,383	$ 2,262	$ 2,113	(39%)	(35%)	$ 8,530	$ 10,540	(19%)

Notes:
- Firm net revenues excluding mark-to-market gains and losses on deferred cash-based compensation plans (DCP) were: 4Q23: $12,527 million, 3Q23: $13,475 million, 4Q22: $12,555 million, 4Q23 YTD: $53,709 million, 4Q22 YTD: $54,866 million.
- Firm compensation expenses excluding DCP were: 4Q23: $5,597 million, 3Q23: $5,992 million, 4Q22: $5,426 million, 4Q23 YTD: $23,890 million, 4Q22 YTD: $23,769 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:		Twelve Months Ended		Percentage Change
	Dec 31, 2023	Sep 30, 2023	Dec 31, 2022	Sep 30, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	
Financial Metrics:								
Earnings per basic share	$ 0.86	$ 1.39	$ 1.28	(38%)	(33%)	$ 5.24	$ 6.23	(16%)
Earnings per diluted share	$ 0.85	$ 1.38	$ 1.26	(38%)	(33%)	$ 5.18	$ 6.15	(16%)
Return on average common equity	6.2%	10.0%	9.2%			9.4%	11.2%	
Return on average tangible common equity	8.4%	13.5%	12.6%			12.8%	15.3%	
Book value per common share	$ 55.50	$ 55.08	$ 54.55			$ 55.50	$ 54.55	
Tangible book value per common share	$ 40.89	$ 40.53	$ 40.06			$ 40.89	$ 40.06	
Financial Ratios:								
Pre-tax profit margin	16%	24%	22%			22%	26%	
Compensation and benefits as a % of net revenues	46%	45%	44%			45%	43%	
Non-compensation expenses as a % of net revenues	38%	31%	33%			32%	30%	
Firm expense efficiency ratio	84%	75%	77%			77%	73%	
Effective tax rate	26.5%	22.6%	18.9%			21.9%	20.7%	
Statistical Data:								
Period end common shares outstanding (millions)	1,627	1,642	1,675	(1%)	(3%)			
Average common shares outstanding (millions)								
Basic	1,606	1,624	1,652	(1%)	(3%)	1,628	1,691	(4%)
Diluted	1,627	1,643	1,679	(1%)	(3%)	1,646	1,713	(4%)
Worldwide employees	80,006	80,710	82,427	(1%)	(3%)			

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.

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