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, 2025

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
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
Depositary Shares, each representing 1/1,000th interest in a share of 6.625% Non-Cumulative Preferred Stock, Series Q, $0.01 par value	MS/PQ	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, 2025, Morgan Stanley (the "Company") released financial information with respect to its quarter and year ended December 31, 2024. 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, 2024 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, 2025, Morgan Stanley (the “Company”) released financial information with respect to its quarter and year ended December 31, 2024 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” 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 Morgan Stanley’s Annual Report on Form 10-K for the year ended December 31, 2023 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, 2025, containing financial information for the quarter and year ended December 31, 2024.
99.2	Financial Data Supplement of the Company for the quarter and year ended December 31, 2024.
99.3	Morgan Stanley Presentation, dated January 16, 2025.
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, 2025	By:	/s/ Raja Akram
		Name:	Raja Akram
		Title:	Deputy Chief Financial Officer

End of Document

Morgan Stanley

Morgan Stanley Fourth Quarter and Full Year 2024 Earnings Results

Morgan Stanley Reports Fourth Quarter Net Revenues of $16.2 Billion, EPS of $2.22 and ROTCE of 20.2%; Full Year Net Revenues of $61.8 Billion, EPS of $7.95 and ROTCE of 18.8%

NEW YORK, January 16, 2025 – Morgan Stanley (NYSE: MS) today reported net revenues of $16.2 billion for the fourth quarter ended December 31, 2024 compared with $12.9 billion a year ago. Net income applicable to Morgan Stanley was $3.7 billion, or $2.22 per diluted share, compared with $1.5 billion, or $0.85 per diluted share, for the same period a year ago.[1]

Full year net revenues were $61.8 billion compared with $54.1 billion a year ago. Net income applicable to Morgan Stanley was $13.4 billion, or $7.95 per diluted share, compared with $9.1 billion, or $5.18 per diluted share, a year ago.[1]

Ted Pick, Chairman and Chief Executive Officer, said*, "An excellent fourth quarter with a 20% ROTCE followed three quarters of consistent execution for Morgan Stanley, capping off one of the strongest years in the Firm's history. The Firm produced full year revenues of $61.8 billion, EPS of $7.95 and a ROTCE of 18.8%. Institutional Securities saw strength across markets and continued improvement in Investment Banking. Total client assets grew to $7.9 trillion across Wealth and Investment Management supported by markets and healthy net new assets. We are executing against four pillars – strategy, culture, financial strength and growth – that support our Integrated Firm, creating long-term value for our shareholders."*

Financial Summary[2,3]

Firm ($MM, except per share data)	4Q 2024	4Q 2023	FY 2024	FY 2023
Net revenues	$16,223	$12,896	$61,761	$54,143
Provision for credit losses	$115	$3	$264	$532
Compensation expense	$6,289	$5,951	$26,178	$24,558
Non-compensation expenses	$4,913	$4,846	$17,723	$17,240
Pre-tax income[6]	$4,906	$2,096	$17,596	$11,813
Net income app. to MS	$3,714	$1,517	$13,390	$9,087
Expense efficiency ratio[8]	69 %	84 %	71 %	77 %
Earnings per diluted share[1]	$2.22	$0.85	$7.95	$5.18
Book value per share	$58.98	$55.50	$58.98	$55.50
Tangible book value per share[4]	$44.57	$40.89	$44.57	$40.89
Return on equity	15.2 %	6.2 %	14.0 %	9.4 %
Return on tangible equity[4]	20.2 %	8.4 %	18.8 %	12.8 %
Institutional Securities				
Net revenues	$7,267	$4,940	$28,080	$23,060
Investment Banking	$1,641	$1,318	$6,170	$4,578
Equity	$3,325	$2,202	$12,230	$9,986
Fixed Income	$1,931	$1,434	$8,418	$7,673
Wealth Management				
Net revenues	$7,478	$6,645	$28,420	$26,268
Fee-based client assets ($Bn)[9]	$2,347	$1,983	$2,347	$1,983
Fee-based asset flows ($Bn)[10]	$35.2	$41.6	$123.1	$109.2
Net new assets ($Bn)[11]	$56.5	$47.5	$251.7	$282.3
Loans ($Bn)	$159.5	$146.5	$159.5	$146.5
Investment Management				
Net revenues	$1,643	$1,464	$5,861	$5,370
AUM ($Bn)[12]	$1,666	$1,459	$1,666	$1,459
Long-term net flows ($Bn)[13]	$4.3	$(7.1)	$18.0	$(15.2)

Full Year Highlights

- The Firm reported record net revenues of $61.8 billion with net income of $13.4 billion, demonstrating the strength of our Integrated Firm with strong results across our business segments.
- The Firm delivered a strong ROTCE of 18.8%.[2, 4]
- The Firm expense efficiency ratio was 71% compared to 77% a year ago, reflecting stronger revenues and expense discipline.[8] The prior year was also negatively impacted by certain expense items.[19]
- The Firm accreted $5.6 billion of Common Equity Tier 1 capital while supporting our clients and returning capital to shareholders. The Standardized Common Equity Tier 1 capital ratio was 15.9% at year-end.[16]
- Institutional Securities reported net revenues of $28.1 billion reflecting higher results across business lines and regions on strong client activity and improved market conditions.
- Wealth Management delivered net revenues of $28.4 billion, reflecting strong asset management and transactional revenues.[14] The pre-tax margin for the year was 27.2%.[7] The business added fee-based flows of $123 billion and net new assets of $252 billion representing a full year 5% annualized growth rate from beginning period assets.[10, 11]
- Investment Management reported net revenues of $5.9 billion driven by asset management revenues on higher average AUM.[12] The year included long-term net inflows of $18 billion.[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 $7.3 billion compared with $4.9 billion a year ago. Pre-tax income was $2.4 billion compared with $408 million a year ago.[6]

($ millions)	4Q 2024	4Q 2023
Net Revenues	**$7,267**	**$4,940**
Investment Banking	**$1,641**	**$1,318**
Advisory	$779	$702
Equity underwriting	$455	$225
Fixed income underwriting	$407	$391
Equity	**$3,325**	**$2,202**
Fixed Income	**$1,931**	**$1,434**
Other	**$370**	**$(14)**
Provision for credit losses	**$78**	**$22**
Total Expenses	**$4,748**	**$4,510**
Compensation	$1,764	$1,732
Non-compensation	$2,984	$2,778

Investment Banking revenues up 25%:

- Advisory revenues increased on higher completed M&A transactions.
- Equity underwriting revenues increased from a year ago driven by higher follow-ons and IPOs as clients strategically raised capital in a more constructive environment.
- Fixed income underwriting revenues were essentially unchanged from the prior year quarter as higher non-investment grade issuances offset lower investment grade issuances.

Equity net revenues up 51%:

- Equity net revenues increased across business lines and regions driven by increased client activity, with notable strength in Prime Brokerage and regional strength in Asia.

Fixed Income net revenues up 35%:

- Fixed Income net revenues reflect strong results in credit on higher lending and securitization activity and higher structured revenues in commodities.

Other:

- Other revenues increased from a year ago primarily driven by lower mark-to-market losses on corporate loans, inclusive of hedges.

Provision for credit losses:

- Provision for credit losses increased from a year ago, primarily driven by growth in the corporate loan portfolio. The quarter included charge-offs of $62 million primarily related to the commercial real estate sector.

Total Expenses:

- Compensation expense increased from a year ago on higher revenues, partially offset by lower expenses related to DCP.[5, 19]
- Non-compensation expenses increased from a year ago on higher execution-related expenses, partially offset by lower legal costs and the absence of an FDIC special assessment.[19]

Wealth Management

Wealth Management reported net revenues of $7.5 billion in the current quarter compared with $6.6 billion a year ago. Pre-tax income of $2.1 billion in the current quarter resulted in a pre-tax margin of 27.5%.[6, 7]

Net revenues up 13%:

- Asset management revenues were a record on higher asset levels and the cumulative impact of positive fee-based flows.[10]
- Transactional revenues increased 18% excluding the impact of mark-to-market on investments associated with DCP.[5,14] The increase was driven by higher levels of client activity.
- Net interest income was relatively unchanged as higher yields on the investment portfolio and lending growth offset lower average sweep deposits.

Provision for credit losses:

- Provision for credit losses increased from a year ago driven by higher individual assessments for certain loans.

Total Expenses:

- Compensation expense increased from a year ago on higher compensable revenues, partially offset by lower expenses related to DCP.[5, 19]
- Non-compensation expenses decreased from a year ago primarily due to the absence of an FDIC special assessment. [19]

($ millions)	4Q 2024	4Q 2023
Net Revenues	**$7,478**	**$6,645**
Asset management	$4,417	$3,556
Transactional[14]	$973	$1,088
Net interest	$1,885	$1,852
Other	$203	$149
Provision for credit losses	**$37**	**$(19)**
Total Expenses	**$5,388**	**$5,236**
Compensation	$3,950	$3,640
Non-compensation	$1,438	$1,596

Investment Management

Investment Management reported net revenues of $1.6 billion compared with $1.5 billion a year ago. Pre-tax income was $414 million compared with $265 million a year ago.[6]

Net revenues up 12%:

- Asset management and related fees increased from a year ago on higher average AUM primarily driven by higher market levels.[12]
- Performance-based income and other revenues increased from a year ago on higher mark-to-market gains and accrued carried interest in our private funds.

Total Expenses:

- Compensation expense decreased from a year ago due to lower expenses related to DCP, partially offset by higher compensation associated with carried interest.[5, 19]
- Non-compensation expenses increased from a year ago, primarily driven by higher distribution expenses on higher average AUM.[19]

($ millions)	4Q 2024	4Q 2023
Net Revenues	**$1,643**	**$1,464**
Asset management and related fees	$1,555	$1,403
Performance-based income and other	$88	$61
Total Expenses	**$1,229**	**$1,199**
Compensation	$575	$579
Non-compensation	$654	$620

Full Year Results

Institutional Securities

Institutional Securities reported net revenues of $28.1 billion compared with $23.1 billion a year ago. Pre-tax income was $8.7 billion compared with $4.5 billion a year ago.[6]

($ millions)	FY 2024	FY 2023
Net Revenues	**$28,080**	**$23,060**
Investment Banking	**$6,170**	**$4,578**
Advisory	$2,378	$2,244
Equity underwriting	$1,599	$889
Fixed income underwriting	$2,193	$1,445
Equity	**$12,230**	**$9,986**
Fixed Income	**$8,418**	**$7,673**
Other	**$1,262**	**$823**
Provision for credit losses	**$202**	**$401**
Total Expenses	**$19,129**	**$18,183**
Compensation	$8,669	$8,369
Non-compensation	$10,460	$9,814

Investment Banking revenues up 35%:

- Advisory revenues increased on higher completed M&A transactions.
- Equity underwriting revenues increased on higher IPOs and follow-ons.
- Fixed income underwriting revenues increased from a year ago on higher bond and loan issuances.

Equity net revenues up 22%:

- Equity net revenues were a record on strong performance across all products and geographies as the business navigated improved market conditions, with notable strength in Asia and the Americas.

Fixed Income net revenues up 10%:

- Fixed Income net revenues increased from a year ago reflecting higher results across businesses, with notable strength in credit driven by lending and securitization activity.

Other:

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

Provision for credit losses:

- Provision for credit losses decreased due to lower provisions for loans in the commercial real estate sector compared to a year ago, partially offset by growth in the corporate loan portfolio.

Total Expenses:

- Compensation expense increased from a year ago on higher revenues, partially offset by lower severance expenses.[19]
- Non-compensation expenses increased from a year ago on higher execution-related expenses, partially offset by lower legal costs and lower FDIC special assessments.[19]

Wealth Management

Wealth Management reported net revenues of $28.4 billion compared with $26.3 billion a year ago. Pre-tax income of $7.7 billion in the current year resulted in a pre-tax margin of 27.2%.[6, 7]

($ millions)	FY 2024	FY 2023
Net Revenues	**$28,420**	**$26,268**
Asset management	$16,501	$14,019
Transactional [14]	$3,864	$3,556
Net interest	$7,313	$8,118
Other	$742	$575
Provision for credit losses	**$62**	**$131**
Total Expenses	**$20,618**	**$19,607**
Compensation	$15,207	$13,972
Non-compensation	$5,411	$5,635

Net revenues up 8%:

- Asset management revenues increased from a year ago on higher asset levels and the cumulative impact of positive fee-based flows.[10]
- Transactional revenues increased 11% excluding the impact of mark-to-market on investments associated with DCP.[5,14] The increase was driven by higher levels of client activity across product types.
- Net interest income decreased from a year ago due to lower average sweep deposits, partially offset by higher yields on the investment portfolio and lending growth.

Provision for Credit Losses:

- Provision for credit losses decreased primarily due to lower provisions for loans in the commercial real estate sector.

Total Expenses:

- Compensation expense increased from a year ago on higher compensable revenues. [19]
- Non-compensation expenses decreased primarily due to lower FDIC special assessments and lower professional services costs post-integration.[19]

Investment Management

Investment Management reported net revenues of $5.9 billion compared with $5.4 billion a year ago. Pre-tax income was $1.1 billion compared with $842 million a year ago.[6]

($ millions)	FY 2024	FY 2023
Net Revenues	**$5,861**	**$5,370**
Asset management and related fees	$5,627	$5,231
Performance-based income and other	$234	$139
Total Expenses	**$4,724**	**$4,528**
Compensation	$2,302	$2,217
Non-compensation	$2,422	$2,311

Net revenues up 9%:

- Asset management and related fees increased from a year ago on higher average AUM driven by higher market levels.[12]
- Performance-based income and other revenues increased from a year ago primarily driven by higher mark-to-market gains and accrued carried interest in our private funds.

Total Expenses:

- Compensation expense increased from a year ago on higher compensation associated with carried interest.[19]
- Non-compensation expenses increased primarily driven by higher distribution expenses on higher average AUM. [19]

Other Matters

- The Firm repurchased $0.8 billion of its outstanding common stock during the quarter and $3.3 billion during the year as part of its Share Repurchase Program.
- The Board of Directors declared a $0.925 quarterly dividend per share, payable on February 14, 2025 to common shareholders of record on January 31, 2025.
- The effective tax rate for the current quarter was 24.1% and for the full year was 23.1%.

	4Q 2024	4Q 2023	FY 2024	FY 2023
Common Stock Repurchases				
Repurchases ($MM)	$750	$1,300	$3,250	$5,300
Number of Shares (MM)	6	17	33	62
Average Price	$126.44	$75.23	$99.16	$85.35
Period End Shares (MM)	1,607	1,627	1,607	1,627
Tax Rate	24.1%	26.5%	23.1%	21.9%
Capital[15]				
Standardized Approach				
CET1 capital[16]	15.9 %	15.2 %		
Tier 1 capital[16]	17.9 %	17.1 %		
Advanced Approach				
CET1 capital[16]	15.7 %	15.5 %		
Tier 1 capital[16]	17.7 %	17.4 %		
Leverage-based capital				
Tier 1 leverage[17]	6.9 %	6.7 %		
SLR[18]	5.6 %	5.5 %		

Morgan Stanley (NYSE: MS) 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, 2023 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 2024 and 2023 of approximately $150 million and $134 million, respectively, and for the years ended 2024 and 2023 of approximately $590 million and $557 million, respectively.

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

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

[4] 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. Tangible common equity represents common equity less goodwill and intangible assets net of allowable mortgage servicing rights deduction. The calculation of return on average tangible common equity, also a non-GAAP financial measure, represents full year or annualized net income applicable to Morgan Stanley less preferred dividends as a percentage of average tangible common equity. The calculation of tangible book value per common share, also a non-GAAP financial measure, represents tangible common shareholder’s equity divided by common shares outstanding.

[5] “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, 2023.

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

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

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

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

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

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

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

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

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

[15] Capital ratios are estimates as of the press release date, January 16, 2025.

[16] CET1 capital is defined as Common Equity Tier 1 capital. The Firm’s risk-based capital ratios are computed under each of the (i) standardized approaches for calculating credit risk and market risk risk-weighted assets (RWAs) (the “Standardized Approach”) and (ii) applicable advanced approaches for calculating credit risk, market risk and operational risk RWAs (the “Advanced Approach”). For information on the calculation of regulatory capital and ratios, and associated regulatory requirements, please refer to "Management’s Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Regulatory Requirements" in the Firm’s Annual Report on Form 10-K for the year ended December 31, 2023.

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

[18] The Firm’s supplementary leverage ratio (SLR) utilizes a Tier 1 capital numerator of approximately $84.8 billion and $78.2 billion, and supplementary leverage exposure denominator of approximately $1.52 trillion and $1.43 trillion, for the fourth quarter of 2024 and 2023, respectively.

[19] The 2023 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.

[a)] During the 2023 full year, Compensation and benefits expenses included severance costs of $353 million, associated with a specific reduction in workforce during the second quarter of 2023. The Firm recorded severance costs of $220 million in the Institutional Securities business segment, $105 million in the Wealth Management business segment, and $28 million in the Investment Management business segment for the prior year period. This specific reduction in workforce occurred across the Firm’s business segments and geographic regions, impacted approximately 4% of the Firm’s global workforce in 2023, and resulted from the Firm’s review of its global workforce, operating expenses and the business environment following the acquisitions of E*TRADE Financial Corporation (“E*TRADE”) and Eaton Vance Corp. (“Eaton Vance”), rather than a change in strategy or exit of businesses. These costs were primarily incurred in the Americas and EMEA, with the majority in the Americas.
[b)] For the quarter and twelve months ended December 31, 2023, Firm results included an 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. In 2024, the Firm recorded incremental estimated costs of $36 million based on subsequent notifications received from the FDIC which contained the revised estimated net losses from those bank failures. Expenses related to the FDIC Special Assessment in 2024 were reported in the business segments’ results as follows: Institutional Securities: 4Q24: $(2) million; 4Q24 YTD: $15 million; Wealth Management: 4Q24: $(2) million; 4Q24 YTD: $21 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. For further information, please refer to Part II, Item 8, note 14, “Commitments, Guarantees and Contingencies” in the Firm’s Annual Report on Form 10-K for the year ended December 31, 2023.

[d)] 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. These expenses related to the integration of E*TRADE within the Wealth Management business segment and the integration of Eaton Vance within the Investment Management business segment. Integration-related expenses primarily included non-compensation expenses such as information technology expense related to the consolidation of platforms, and professional fees related to changes in legal entity structures and the integration of clients, within both Wealth Management and Investment Management business segments. All integration-related activities were substantially completed as of December 31, 2023. The pre-tax integration-related expenses were reported in the business segments' results as follows: Wealth Management: 4Q23: $30 million, 4Q23 YTD: $201 million; Investment Management: 4Q23: $19 million, 4Q23 YTD: $92 million.

Consolidated Income Statement Information

(unaudited, dollars in millions)

	Quarter Ended			Percentage Change From:		Twelve Months Ended		
	Dec 31, 2024	Sep 30, 2024	Dec 31, 2023	Sep 30, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023	Percentage Change
Revenues:								
Investment banking	$ 1,791	$ 1,590	$ 1,415	13 %	27 %	$ 6,705	$ 4,948	36 %
Trading	3,778	4,002	3,305	(6 %)	14 %	16,763	15,263	10 %
Investments	215	315	189	(32 %)	14 %	824	573	44 %
Commissions and fees	1,390	1,294	1,110	7 %	25 %	5,094	4,537	12 %
Asset management	6,059	5,747	5,041	5 %	20 %	22,499	19,617	15 %
Other	438	239	(61)	83 %	*	1,265	975	30 %
Total non-interest revenues	13,671	13,187	10,999	4 %	24 %	53,150	45,913	16 %
Interest income	13,491	14,185	12,830	(5 %)	5 %	54,135	45,849	18 %
Interest expense	10,939	11,989	10,933	(9 %)	— %	45,524	37,619	21 %
Net interest	2,552	2,196	1,897	16 %	35 %	8,611	8,230	5 %
Net revenues	16,223	15,383	12,896	5 %	26 %	61,761	54,143	14 %
Provision for credit losses	115	79	3	46 %	*	264	532	(50 %)
Non-interest expenses:								
Compensation and benefits	6,289	6,733	5,951	(7 %)	6 %	26,178	24,558	7 %
Non-compensation expenses:								
Brokerage, clearing and exchange fees	1,180	1,044	865	13 %	36 %	4,140	3,476	19 %
Information processing and communications	1,059	1,042	987	2 %	7 %	4,088	3,775	8 %
Professional services	798	711	822	12 %	(3 %)	2,901	3,058	(5 %)
Occupancy and equipment	527	473	528	11 %	— %	1,905	1,895	1 %
Marketing and business development	279	224	224	25 %	25 %	965	898	7 %
Other	1,070	856	1,420	25 %	(25 %)	3,724	4,138	(10 %)
Total non-compensation expenses	4,913	4,350	4,846	13 %	1 %	17,723	17,240	3 %
Total non-interest expenses	11,202	11,083	10,797	1 %	4 %	43,901	41,798	5 %
Income before provision for income taxes	4,906	4,221	2,096	16 %	134 %	17,596	11,813	49 %
Provision for income taxes	1,182	995	555	19 %	113 %	4,067	2,583	57 %
Net income	$ 3,724	$ 3,226	$ 1,541	15 %	142 %	$ 13,529	$ 9,230	47 %
Net income applicable to nonredeemable noncontrolling interests	10	38	24	(74 %)	(58 %)	139	143	(3 %)
Net income applicable to Morgan Stanley	3,714	3,188	1,517	16 %	145 %	13,390	9,087	47 %
Preferred stock dividend	150	160	134	(6 %)	12 %	590	557	6 %
Earnings applicable to Morgan Stanley common shareholders	$ 3,564	$ 3,028	$ 1,383	18 %	158 %	$ 12,800	$ 8,530	50 %

Notes:

- In the first quarter of 2024, the Firm implemented certain presentation changes which resulted in a decrease to both interest income and interest expense of $1,228 million and $4,432 million for the three months and twelve months ended December 31, 2023, respectively and No effect on net interest income, with the entire impact to the Firm recorded within the Institutional Securities segment. These changes further aligned the accounting treatment between the balance sheet and the related interest income or expense, primarily by offsetting interest income and expense for certain prime brokerage-related customer receivables and payables that are currently accounted for as a single unit of account on the balance sheet. The current and previous presentation of these interest income and interest expense amounts are acceptable and the change does not represent a change in accounting principle. These changes were applied retrospectively to the consolidated income statement in 2023 and accordingly, prior period amounts were adjusted to conform with the current presentation.
- Firm net revenues excluding mark-to-market gains and losses on deferred cash-based compensation plans (DCP) were: 4Q24: $16,232 million, 3Q24: $15,144 million, 4Q23: $12,527 million, 4Q24 YTD: $61,398 million, 4Q23 YTD: $53,709 million.
- Firm compensation expenses excluding DCP were: 4Q24: $6,197 million, 3Q24: $6,457 million, 4Q23: $5,597 million, 4Q24 YTD: $25,506 million, 4Q23 YTD: $23,890 million.
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Morgan Stanley

Consolidated Financial Metrics, Ratios and Statistical Data

(unaudited)

	Quarter Ended			Percentage Change From:		Twelve Months Ended		
	Dec 31, 2024	Sep 30, 2024	Dec 31, 2023	Sep 30, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023	Percentage Change
Financial Metrics:								
Earnings per basic share	$ 2.25	$ 1.91	$ 0.86	18 %	162 %	$ 8.04	$ 5.24	53 %
Earnings per diluted share	$ 2.22	$ 1.88	$ 0.85	18 %	161 %	$ 7.95	$ 5.18	53 %
Return on average common equity	15.2 %	13.1 %	6.2 %			14.0 %	9.4 %	
Return on average tangible common equity	20.2 %	17.5 %	8.4 %			18.8 %	12.8 %	
Book value per common share	$ 58.98	$ 58.25	$ 55.50			$ 58.98	$ 55.50	
Tangible book value per common share	$ 44.57	$ 43.76	$ 40.89			$ 44.57	$ 40.89	
Financial Ratios:								
Pre-tax margin	30 %	27 %	16 %			28 %	22 %	
Compensation and benefits as a % of net revenues	39 %	44 %	46 %			42 %	45 %	
Non-compensation expenses as a % of net revenues	30 %	28 %	38 %			29 %	32 %	
Firm expense efficiency ratio	69 %	72 %	84 %			71 %	77 %	
Effective tax rate	24.1 %	23.6 %	26.5 %			23.1 %	21.9 %	
Statistical Data:								
Period end common shares outstanding (millions)	1,607	1,612	1,627	— %	(1 %)			
Average common shares outstanding (millions)								
Basic	1,583	1,588	1,606	— %	(1 %)	1,591	1,628	(2 %)
Diluted	1,608	1,609	1,627	— %	(1 %)	1,611	1,646	(2 %)
Worldwide employees	80,478	80,205	80,006	— %	1 %			

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End of Document

Morgan Stanley

Fourth Quarter 2024 Earnings Results

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Morgan Stanley

Consolidated Financial Summary

(unaudited, dollars in millions)

	Quarter Ended			Percentage Change From:		Twelve Months Ended		Percentage Change
	Dec 31, 2024	Sep 30, 2024	Dec 31, 2023	Sep 30, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023	
Net revenues								
Institutional Securities	$ 7,267	$ 6,815	$ 4,940	7 %	47 %	$ 28,080	$ 23,060	22 %
Wealth Management	7,478	7,270	6,645	3 %	13 %	28,420	26,268	8 %
Investment Management	1,643	1,455	1,464	13 %	12 %	5,861	5,370	9 %
Intersegment Eliminations	(165)	(157)	(153)	(5 %)	(8 %)	(600)	(555)	(8 %)
Net revenues [1]	$ 16,223	$ 15,383	$ 12,896	5 %	26 %	$ 61,761	$ 54,143	14 %
Provision for credit losses	$ 115	$ 79	$ 3	46 %	*	$ 264	$ 532	(50 %)
Non-interest expenses								
Institutional Securities	$ 4,748	$ 4,836	$ 4,510	(2 %)	5 %	$ 19,129	$ 18,183	5 %
Wealth Management	5,388	5,199	5,236	4 %	3 %	20,618	19,607	5 %
Investment Management	1,229	1,195	1,199	3 %	3 %	4,724	4,528	4 %
Intersegment Eliminations	(163)	(147)	(148)	(11 %)	(10 %)	(570)	(520)	(10 %)
Non-interest expenses [1][2]	$ 11,202	$ 11,083	$ 10,797	1 %	4 %	$ 43,901	$ 41,798	5 %
Income before provision for income taxes								
Institutional Securities	$ 2,441	$ 1,911	$ 408	28 %	*	$ 8,749	$ 4,476	95 %
Wealth Management	2,053	2,060	1,428	— %	44 %	7,740	6,530	19 %
Investment Management	414	260	265	59 %	56 %	1,137	842	35 %
Intersegment Eliminations	(2)	(10)	(5)	80 %	60 %	(30)	(35)	14 %
Income before provision for income taxes	$ 4,906	$ 4,221	$ 2,096	16 %	134 %	$ 17,596	$ 11,813	49 %
Net Income applicable to Morgan Stanley								
Institutional Securities	$ 1,891	$ 1,436	$ 304	32 %	*	$ 6,666	$ 3,453	93 %
Wealth Management	1,514	1,568	1,018	(3 %)	49 %	5,888	5,022	17 %
Investment Management	310	192	199	61 %	56 %	859	639	34 %
Intersegment Eliminations	(1)	(8)	(4)	88 %	75 %	(23)	(27)	15 %
Net Income applicable to Morgan Stanley	$ 3,714	$ 3,188	$ 1,517	16 %	145 %	$ 13,390	$ 9,087	47 %
Earnings applicable to Morgan Stanley common shareholders	$ 3,564	$ 3,028	$ 1,383	18 %	158 %	$ 12,800	$ 8,530	50 %

Notes:

- Firm net revenues excluding mark-to-market gains and losses on deferred cash-based compensation plans (DCP) were: 4Q24: $16,232 million, 3Q24: $15,144 million, 4Q23: $12,527 million, 4Q24 YTD: $61,398 million, 4Q23 YTD: $53,709 million.
- Firm compensation expenses excluding DCP were: 4Q24: $6,197 million, 3Q24: $6,457 million, 4Q23: $5,597 million, 4Q24 YTD: $25,506 million, 4Q23 YTD: $23,890 million.
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Consolidated Financial Metrics, Ratios and Statistical Data
(unaudited)

	Quarter Ended			Percentage Change From:		Twelve Months Ended		Percentage Change
	Dec 31, 2024	Sep 30, 2024	Dec 31, 2023	Sep 30, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023	
Financial Metrics:								
Earnings per basic share	$ 2.25	$ 1.91	$ 0.86	18 %	162 %	$ 8.04	$ 5.24	53 %
Earnings per diluted share	$ 2.22	$ 1.88	$ 0.85	18 %	161 %	$ 7.95	$ 5.18	53 %
Return on average common equity	15.2 %	13.1 %	6.2 %			14.0 %	9.4 %	
Return on average tangible common equity	20.2 %	17.5 %	8.4 %			18.8 %	12.8 %	
Book value per common share	$ 58.98	$ 58.25	$ 55.50			$ 58.98	$ 55.50	
Tangible book value per common share	$ 44.57	$ 43.76	$ 40.89			$ 44.57	$ 40.89	
Financial Ratios:								
Pre-tax margin	30 %	27 %	16 %			28 %	22 %	
Compensation and benefits as a % of net revenues	39 %	44 %	46 %			42 %	45 %	
Non-compensation expenses as a % of net revenues	30 %	28 %	38 %			29 %	32 %	
Firm expense efficiency ratio [1]	69 %	72 %	84 %			71 %	77 %	
Effective tax rate [2]	24.1 %	23.6 %	26.5 %			23.1 %	21.9 %	
Statistical Data:								
Period end common shares outstanding (millions)	1,607	1,612	1,627	— %	(1 %)			
Average common shares outstanding (millions)								
Basic	1,583	1,588	1,606	— %	(1 %)	1,591	1,628	(2 %)
Diluted	1,608	1,609	1,627	— %	(1 %)	1,611	1,646	(2 %)
Worldwide employees	80,478	80,205	80,006	— %	1 %			

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Consolidated and U.S. Bank Supplemental Financial Information

(unaudited, dollars in millions)

	Quarter Ended			Percentage Change From:		Twelve Months Ended		Percentage
	Dec 31, 2024	Sep 30, 2024	Dec 31, 2023	Sep 30, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023	Change
Consolidated Balance sheet								
Total assets	$ 1,215,071	$ 1,258,027	$ 1,193,693	(3 %)	2 %			
Loans [1]	$ 246,814	$ 239,760	$ 226,828	3 %	9 %			
Deposits	$ 376,007	$ 363,722	$ 351,804	3 %	7 %			
Long-term debt outstanding	$ 284,307	$ 291,224	$ 260,544	(2 %)	9 %			
Maturities of long-term debt outstanding (next 12 months)	$ 21,924	$ 25,097	$ 20,151	(13 %)	9 %			
Average liquidity resources	$ 345,440	$ 342,620	$ 314,504	1 %	10 %			
Common equity	$ 94,761	$ 93,897	$ 90,288	1 %	5 %			
Less: Goodwill and intangible assets	(23,157)	(23,354)	(23,761)	(1 %)	(3 %)			
Tangible common equity	$ 71,604	$ 70,543	$ 66,527	2 %	8 %			
Preferred equity	$ 9,750	$ 9,750	$ 8,750	— %	11 %			
U.S. Bank Supplemental Financial Information								
Total assets	$ 434,812	$ 420,923	$ 396,111	3 %	10 %			
Loans	$ 232,903	$ 224,276	$ 212,207	4 %	10 %			
Investment securities portfolio [2]	$ 124,343	$ 124,551	$ 118,008	— %	5 %			
Deposits	$ 369,730	$ 357,548	$ 346,103	3 %	7 %			
Regional revenues								
Americas	$ 12,537	$ 11,557	$ 10,198	8 %	23 %	$ 46,929	$ 41,651	13 %
EMEA (Europe, Middle East, Africa)	1,672	1,828	1,342	(9 %)	25 %	7,197	6,058	19 %
Asia	2,014	1,998	1,356	1 %	49 %	7,635	6,434	19 %
Consolidated net revenues	$ 16,223	$ 15,383	$ 12,896	5 %	26 %	$ 61,761	$ 54,143	14 %

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Consolidated Average Common Equity and Regulatory Capital Information

(unaudited, dollars in billions)

	Quarter Ended			Percentage Change From:		Twelve Months Ended		Percentage
	Dec 31, 2024	Sep 30, 2024	Dec 31, 2023	Sep 30, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023	Change
Average Common Equity								
Institutional Securities	$ 45.0	$ 45.0	$ 45.6	— %	(1 %)	$ 45.0	$ 45.6	(1 %)
Wealth Management	29.1	29.1	28.8	— %	1 %	29.1	28.8	1 %
Investment Management	10.8	10.8	10.4	— %	4 %	10.8	10.4	4 %
Parent Company	9.0	7.8	5.1	15 %	76 %	6.8	6.0	13 %
Firm	$ 93.9	$ 92.7	$ 89.9	1 %	4 %	$ 91.7	$ 90.8	1 %

	Dec 31, 2024	Sep 30, 2024	Dec 31, 2023	Sep 30, 2024	Dec 31, 2023
Regulatory Capital					
Common Equity Tier 1 capital	$ 75.1	$ 73.9	$ 69.4	2 %	8 %
Tier 1 capital	$ 84.8	$ 83.7	$ 78.2	1 %	8 %
<u>Standardized Approach</u>					
Risk-weighted assets	$ 473.5	$ 490.3	$ 456.1	(3 %)	4 %
Common Equity Tier 1 capital ratio	15.9 %	15.1 %	15.2 %		
Tier 1 capital ratio	17.9 %	17.1 %	17.1 %		
<u>Advanced Approach</u>					
Risk-weighted assets	$ 479.3	$ 495.0	$ 448.2	(3 %)	7 %
Common Equity Tier 1 capital ratio	15.7 %	14.9 %	15.5 %		
Tier 1 capital ratio	17.7 %	16.9 %	17.4 %		
<u>Leverage-based capital</u>					
Tier 1 leverage ratio	6.9 %	6.9 %	6.7 %		
Supplementary Leverage Ratio	5.6 %	5.5 %	5.5 %		

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

	Quarter Ended			Percentage Change From:		Twelve Months Ended		Percentage
	Dec 31, 2024	Sep 30, 2024	Dec 31, 2023	Sep 30, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023	Change
Revenues:								
Advisory	$ 779	$ 546	$ 702	43 %	11 %	$ 2,378	$ 2,244	6 %
Equity	455	362	225	26 %	102 %	1,599	889	80 %
Fixed income	407	555	391	(27 %)	4 %	2,193	1,445	52 %
Underwriting	862	917	616	(6 %)	40 %	3,792	2,334	62 %
Investment banking	1,641	1,463	1,318	12 %	25 %	6,170	4,578	35 %
Equity	3,325	3,045	2,202	9 %	51 %	12,230	9,986	22 %
Fixed income	1,931	2,003	1,434	(4 %)	35 %	8,418	7,673	10 %
Other	370	304	(14)	22 %	*	1,262	823	53 %
Net revenues	7,267	6,815	4,940	7 %	47 %	28,080	23,060	22 %
Provision for credit losses	78	68	22	15 %	*	202	401	(50 %)
Compensation and benefits	1,764	2,271	1,732	(22 %)	2 %	8,669	8,369	4 %
Non-compensation expenses	2,984	2,565	2,778	16 %	7 %	10,460	9,814	7 %
Total non-interest expenses	4,748	4,836	4,510	(2 %)	5 %	19,129	18,183	5 %
Income before provision for income taxes	2,441	1,911	408	28 %	*	8,749	4,476	95 %
Net income applicable to Morgan Stanley	$ 1,891	$ 1,436	$ 304	32 %	*	$ 6,666	$ 3,453	93 %
Pre-tax margin	34 %	28 %	8 %			31 %	19 %	
Compensation and benefits as a % of net revenues	24 %	33 %	35 %			31 %	36 %	
Non-compensation expenses as a % of net revenues	41 %	38 %	56 %			37 %	43 %	
Return on Average Common Equity	16 %	12 %	2 %			14 %	7 %	
Return on Average Tangible Common Equity [(1)]	16 %	12 %	2 %			14 %	7 %	
Trading VaR (Average Daily 95% / One-Day VaR)	$ 46	$ 46	$ 46					

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

	Quarter Ended			Percentage Change From:		Twelve Months Ended		Percentage
	Dec 31, 2024	Sep 30, 2024	Dec 31, 2023	Sep 30, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023	Change
Revenues:								
Asset management	$ 4,417	$ 4,266	$ 3,556	4 %	24 %	$ 16,501	$ 14,019	18 %
Transactional	973	1,076	1,088	(10 %)	(11 %)	3,864	3,556	9 %
Net interest income	1,885	1,774	1,852	6 %	2 %	7,313	8,118	(10 %)
Other	203	154	149	32 %	36 %	742	575	29 %
Net revenues [1]	7,478	7,270	6,645	3 %	13 %	28,420	26,268	8 %
Provision for credit losses	37	11	(19)	*	*	62	131	(53 %)
Compensation and benefits [1]	3,950	3,868	3,640	2 %	9 %	15,207	13,972	9 %
Non-compensation expenses	1,438	1,331	1,596	8 %	(10 %)	5,411	5,635	(4 %)
Total non-interest expenses	5,388	5,199	5,236	4 %	3 %	20,618	19,607	5 %
Income before provision for income taxes	2,053	2,060	1,428	— %	44 %	7,740	6,530	19 %
Net income applicable to Morgan Stanley	$ 1,514	$ 1,568	$ 1,018	(3 %)	49 %	$ 5,888	$ 5,022	17 %
Pre-tax margin	27 %	28 %	21 %			27 %	25 %	
Compensation and benefits as a % of net revenues	53 %	53 %	55 %			54 %	53 %	
Non-compensation expenses as a % of net revenues	19 %	18 %	24 %			19 %	21 %	
Return on Average Common Equity	20 %	21 %	14 %			20 %	17 %	
Return on Average Tangible Common Equity [2]	38 %	39 %	27 %			37 %	33 %	

Notes:
- Wealth Management net revenues excluding DCP were: 4Q24: $7,504 million, 3Q24: $7,100 million, 4Q23: $6,403 million, 4Q24 YTD: $28,181 million, 4Q23 YTD: $25,986 million.
- Wealth Management compensation expenses excluding DCP were: 4Q24: $3,892 million, 3Q24: $3,684 million, 4Q23: $3,406 million, 4Q24 YTD: $14,776 million, 4Q23 YTD: $13,560 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, Definitions of Performance Metrics and Terms, Supplemental Quantitative Details and Calculations, and Legal Notice.

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

	Quarter Ended			Percentage Change From:	
	Dec 31, 2024	Sep 30, 2024	Dec 31, 2023	Sep 30, 2024	Dec 31, 2023
Wealth Management Metrics					
Total client assets	$ 6,194	$ 5,974	$ 5,129	4 %	21 %
Net new assets	$ 56.5	$ 63.9	$ 47.5	(12 %)	19 %
U.S. Bank loans	$ 159.5	$ 155.2	$ 146.5	3 %	9 %
Margin and other lending (1)	$ 28.3	$ 25.7	$ 21.4	10 %	32 %
Deposits (2)	$ 370	$ 358	$ 346	3 %	7 %
Annualized weighted average cost of deposits					
Period end	2.73 %	2.99 %	2.92 %		
Period average	2.94 %	3.19 %	2.86 %		
Advisor-led channel					
Advisor-led client assets	$ 4,758	$ 4,647	$ 3,979	2 %	20 %
Fee-based client assets	$ 2,347	$ 2,302	$ 1,983	2 %	18 %
Fee-based asset flows	$ 35.2	$ 35.7	$ 41.6	(1 %)	(15 %)
Fee-based assets as a % of advisor-led client assets	49 %	50 %	50 %		
Self-directed channel					
Self-directed client assets	$ 1,437	$ 1,327	$ 1,150	8 %	25 %
Daily average revenue trades (000's)	911	815	705	12 %	29 %
Self-directed households (millions)	8.3	8.2	8.1	1 %	2 %
Workplace channel					
Stock plan unvested assets	$ 475	$ 461	$ 416	3 %	14 %
Number of stock plan participants (millions)	6.6	6.7	6.6	(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, Definitions of Performance Metrics and Terms, Supplemental Quantitative Details and Calculations, and Legal Notice.

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

	Quarter Ended			Percentage Change From:		Twelve Months Ended		Percentage
	Dec 31, 2024	Sep 30, 2024	Dec 31, 2023	Sep 30, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023	Change
Revenues:								
Asset management and related fees	$ 1,555	$ 1,384	$ 1,403	12 %	11 %	$ 5,627	$ 5,231	8 %
Performance-based income and other	88	71	61	24 %	44 %	234	139	68 %
Net revenues	1,643	1,455	1,464	13 %	12 %	5,861	5,370	9 %
Compensation and benefits	575	594	579	(3 %)	(1 %)	2,302	2,217	4 %
Non-compensation expenses	654	601	620	9 %	5 %	2,422	2,311	5 %
Total non-interest expenses	1,229	1,195	1,199	3 %	3 %	4,724	4,528	4 %
Income before provision for income taxes	414	260	265	59 %	56 %	1,137	842	35 %
Net income applicable to Morgan Stanley	$ 310	$ 192	$ 199	61 %	56 %	$ 859	$ 639	34 %
Pre-tax margin	25 %	18 %	18 %			19 %	16 %	
Compensation and benefits as a % of net revenues	35 %	41 %	40 %			39 %	41 %	
Non-compensation expenses as a % of net revenues	40 %	41 %	42 %			41 %	43 %	
Return on Average Common Equity	11 %	7 %	8 %			8 %	6 %	
Return on Average Tangible Common Equity [(1)]	109 %	68 %	110 %			76 %	88 %	

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

Investment Management
Financial Information and Statistical Data

(unaudited, dollars in billions)

	Quarter Ended			Percentage Change From:		Twelve Months Ended		Percentage
	Dec 31, 2024	Sep 30, 2024	Dec 31, 2023	Sep 30, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023	Change
Assets Under Management or Supervision (AUM)								
Net Flows by Asset Class								
Equity	$ (6.7)	$ (5.6)	$ (6.5)	(20 %)	(3 %)	$ (27.0)	$ (19.4)	(39 %)
Fixed Income	8.0	4.4	(0.2)	82 %	*	16.2	(9.3)	*
Alternatives and Solutions	3.0	8.5	(0.4)	(65 %)	*	28.8	13.5	113 %
Long-Term Net Flows	4.3	7.3	(7.1)	(41 %)	*	$ 18.0	$ (15.2)	*
Liquidity and Overlay Services	66.8	9.3	(6.6)	*	*	64.5	22.7	184 %
Total Net Flows	$ 71.1	$ 16.6	$ (13.7)	*	*	$ 82.5	$ 7.5	*
Assets Under Management or Supervision by Asset Class								
Equity	$ 312	$ 316	$ 295	(1 %)	6 %			
Fixed Income	192	188	171	2 %	12 %			
Alternatives and Solutions	593	591	508	— %	17 %			
Long-Term Assets Under Management or Supervision	1,097	1,095	974	— %	13 %			
Liquidity and Overlay Services	569	503	485	13 %	17 %			
Total Assets Under Management or Supervision	$ 1,666	$ 1,598	$ 1,459	4 %	14 %			

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Consolidated Loans and Lending Commitments

(unaudited, dollars in billions)

	Quarter Ended			Percentage Change From:	
	Dec 31, 2024	Sep 30, 2024	Dec 31, 2023	Sep 30, 2024	Dec 31, 2023
Institutional Securities					
Loans:					
Corporate	$ 15.9	$ 15.2	$ 18.4	5 %	(14 %)
Secured lending facilities	51.2	49.2	42.5	4 %	20 %
Commercial and residential real estate	11.1	11.8	11.7	(6 %)	(5 %)
Securities-based lending and other	8.9	7.8	7.2	14 %	24 %
Total Loans	87.1	84.0	79.8	4 %	9 %
Lending Commitments	156.9	151.9	130.4	3 %	20 %
Institutional Securities Loans and Lending Commitments	$ 244.0	$ 235.9	$ 210.2	3 %	16 %
Wealth Management					
Loans:					
Securities-based lending and other	$ 92.9	$ 90.4	$ 86.2	3 %	8 %
Residential real estate	66.6	64.9	60.3	3 %	10 %
Total Loans	159.5	155.3	146.5	3 %	9 %
Lending Commitments	19.3	18.4	19.6	5 %	(2 %)
Wealth Management Loans and Lending Commitments	$ 178.8	$ 173.7	$ 166.1	3 %	8 %
Consolidated Loans and Lending Commitments [(1)]	$ 422.8	$ 409.6	$ 376.3	3 %	12 %

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

Consolidated Loans and Lending Commitments
Allowance for Credit Losses (ACL) as of December 31, 2024
(unaudited, dollars in millions)

	Loans and Lending Commitments *(Gross)*	ACL [1]	ACL %	Q4 Provision
Loans:				
Held For Investment (HFI)				
Corporate	$ 6,889	$ 200	2.9 %	$ (22)
Secured lending facilities	48,842	140	0.3 %	13
Commercial and residential real estate	8,412	373	4.4 %	33
Other	2,876	17	0.6 %	3
Institutional Securities - HFI	$ 67,019	$ 730	1.1 %	$ 27
Wealth Management - HFI	159,877	336	0.2 %	38
Held For Investment	$ 226,896	$ 1,066	0.5 %	$ 65
Held For Sale	12,319			
Fair Value	8,461			
Total Loans	247,676	1,066		65
Lending Commitments	176,206	656	0.4 %	50
Consolidated Loans and Lending Commitments	$ 423,882	$ 1,722		$ 115

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

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

(a) We prepare our financial statements using U.S. GAAP. From time to time, we may disclose certain "non-GAAP financial measures" in this document or in the course of our earnings releases, earnings and other conference calls, financial presentations, definitive proxy statements and other public disclosures. A "non-GAAP financial measure" excludes, or includes, amounts from the most directly comparable measure calculated and presented in accordance with U.S. GAAP. We consider the non-GAAP financial measures we disclose to be useful to us, investors, analysts and other stakeholders by providing further transparency about, or an alternate means of assessing or comparing our financial condition, operating results and 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 U.S. GAAP financial measure and the non-GAAP financial measure. We present certain non-GAAP financial measures that exclude the impact of mark-to-market gains and losses on DCP investments from net revenues and compensation expenses. The impact of DCP is primarily reflected in our Wealth Management business segment results. These measures allow for better comparability of period-to-period underlying operating performance and revenue trends, especially in our Wealth Management business segment. By excluding the impact of these items, we are better able to describe the business drivers and resulting impact to net revenues and corresponding change to the associated compensation expenses. For more information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Executive Summary" in the 2023 Form 10-K.

(b) The following are considered non-GAAP financial measures:

- Tangible common equity represents common shareholders' equity less goodwill and intangible assets net of allowable mortgage servicing rights deduction. In addition, we believe that certain ratios that utilize tangible common equity, such as return on average tangible common equity ("ROTCE") and tangible book value per common share, also non-GAAP financial measures, are useful for evaluating the operating performance and capital adequacy of the business period-to-period, respectively.
- ROTCE represents annualized earnings applicable to Morgan Stanley common shareholders as a percentage of average tangible common equity.
- Tangible book value per common share represents tangible common equity divided by common shares outstanding.
- Segment return on average common equity and return on average tangible common equity represent net income applicable to Morgan Stanley by segment less preferred dividends allocated to each segment, annualized as a percentage of average common equity and average tangible common equity, respectively, allocated to each segment. The amount of capital allocated to the business segments is generally set at the beginning of each year and remains fixed throughout the year until the next annual reset unless a significant business change occurs (e.g., acquisition or disposition).
- Net revenues excluding DCP represents net revenues adjusted for the impact of mark-to-market gains and 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 employee 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 that we believe to be useful to us, investors, analysts and other stakeholders by providing further transparency about, or an additional means of assessing, our financial condition and operating results.

Page 1:

(a) 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) Return on average common equity represents annualized earnings applicable to Morgan Stanley common shareholders as a percentage of average common equity.

(b) Return on average tangible common equity represents a non-GAAP financial measure.

(c) Book value per common share represents common equity divided by period end common shares outstanding.

(d) Tangible book value per common share represents a non-GAAP financial measure.

(e) Pre-tax margin represents income before provision for income taxes as a percentage of net revenues.

(f) 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. 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, 2024, September 30, 2024 and December 31, 2023.

(b) Our goodwill and intangible balances utilized in the calculation of tangible common equity are net of allowable mortgage servicing rights deduction.

(c) Tangible common equity represents a non-GAAP financial measure.

(d) U.S. Bank refers to our U.S. Bank Subsidiaries, Morgan Stanley Bank N.A. and Morgan Stanley Private Bank, National Association, and excludes transactions between the bank subsidiaries, as well as deposits from the Parent Company and affiliates.

(e) Firmwide regional revenues reflect our consolidated net revenues on a managed basis. Further discussion regarding the geographic methodology for net revenues is disclosed in Note 22 to the consolidated financial statements included in the 2023 Form 10-K.

Page 4:

(a) Our 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 our regulatory capital to ensure that we maintain an amount of going concern capital after absorbing potential losses from stress events, where applicable, at a point in time. The amount of capital allocated to the business segments is generally set at the beginning of each year and remains fixed throughout the year until the next annual reset unless a significant business change occurs (e.g., acquisition or disposition). We define the difference between our total average common equity and the sum of the average common equity amounts allocated to our business segments as Parent Company common equity. The Required Capital framework is based on our regulatory capital requirements. We continue to evaluate our 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 2023 Form 10-K.

(b) Our risk-based capital ratios are computed under each of (i) the standardized approaches for calculating credit risk and market risk risk-weighted assets (RWAs) ("Standardized Approach") and (ii) the applicable advanced approaches for calculating credit risk, market risk and operational risk RWAs ("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 2023 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 margin represents income before provision for income taxes as a percentage of net revenues.

(c) VaR represents the unrealized loss in portfolio value that, based on historically observed market risk factor movements, would have been exceeded with a frequency of 5%, or five times in every 100 trading days, if the portfolio were held constant for one day. Further discussion of the calculation of VaR and the limitations of our VaR methodology, is disclosed in "Quantitative and Qualitative Disclosures about Risk" included in the 2023 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 margin represents income before provision for income taxes as a percentage of net revenues.

Definitions of Performance Metrics and Terms

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

Page 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 and investment advisory services; financial and wealth planning services; workplace services, including stock plan administration, and retirement plan services.

(b) Net new assets represent client asset inflows, inclusive of interest, dividends and asset acquisitions, less client asset outflows, and exclude the impact of 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 our U.S. Bank Subsidiaries. Deposits include sweep deposit programs, savings and other deposits, and time deposits.

(e) Annualized weighted average cost of deposits represents the total annualized weighted average cost of the various deposit products. Amounts at December 31, 2024 include the effect of related hedging derivatives. Amounts at September 30, 2024 and December 31, 2023 exclude the effect of related hedging derivatives, which increased period end costs by 0.06% and 0.03%, respectively, and period average costs by 0.04% for both periods. The period end cost of deposits is based upon balances and rates as of December 31, 2024, September 30, 2024 and December 31, 2023. 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 2023 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 active account with self-directed assets. Individual households or participants that are engaged in one or more of our Wealth Management channels are included in each of the respective channel counts.

(l) The workplace channel assets includes equity compensation solutions for companies, their executives and employees. Stock plan unvested assets represent the market value of public company securities at the end of the period.

(m) Stock plan participants represent total accounts with vested and/or unvested stock plan assets in the workplace channel. Individuals with accounts in multiple plans are counted as participants in each plan.

Page 8:

(a) Asset management and related fees represents management and administrative fees, distribution fees, and performance-based fees, not in the form of carried interest. Asset management and related fees represents Asset management as reported on our 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 our consolidated income statement.

(c) Pre-tax margin represents income before provision for income taxes as a percentage 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:

	4Q24	3Q24	4Q23	4Q24 YTD	4Q23 YTD
Net revenues	$ 16,223	$ 15,383	$ 12,896	61,761	54,143
Adjustment for mark-to-market on DCP	9	(239)	(369)	(363)	(434)
Adjusted Net revenues - non-GAAP	$ 16,232	$ 15,144	$ 12,527	$ 61,398	$ 53,709
Compensation expense	$ 6,289	$ 6,733	$ 5,951	$ 26,178	$ 24,558
Adjustment for mark-to-market on DCP	(92)	(276)	(354)	(672)	(668)
Adjusted Compensation expense - non-GAAP	$ 6,197	$ 6,457	$ 5,597	$ 25,506	$ 23,890

- Compensation expense for deferred cash-based compensation plans 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 table above presents non-GAAP adjusted Compensation expense which excludes amounts recognized in Compensation expense associated with certain cash-based deferred compensation plans.
- We invest directly, as principal, in financial instruments and other investments to economically hedge certain of our 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 our investments and the deferred recognition of the related compensation expense over the vesting period. While this timing difference may not be material to our Income before provision for income taxes 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. The table above presents non-GAAP adjusted Net revenues which excludes amounts recognized in Net revenues related to mark-to-market gains and losses, net of financing costs, on investments associated with certain cash-based deferred compensation plans.

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

	4Q24	3Q24	4Q23	4Q24 YTD	4Q23 YTD
Compensation and benefits [(a) (b)]	$ 6,289	$ 6,733	$ 5,951	$ 26,178	$ 24,558
Non-compensation expenses:					
Brokerage, clearing and exchange fees	1,180	1,044	865	4,140	3,476
Information processing and communications	1,059	1,042	987	4,088	3,775
Professional services	798	711	822	2,901	3,058
Occupancy and equipment	527	473	528	1,905	1,895
Marketing and business development	279	224	224	965	898
Other	1,070	856	1,420	3,724	4,138
Total non-compensation expenses [(b) (c) (d)]	4,913	4,350	4,846	17,723	17,240
Total non-interest expenses	$ 11,202	$ 11,083	$ 10,797	$ 43,901	$ 41,798

(a) For the quarter and twelve months ended December 31, 2023, Firm results include severance costs of $30 million and $353 million, respectively, associated with employee actions. The severance costs were reported in the business segments' results as follows: Institutional Securities: 4Q23: $3 million, 4Q23 YTD: $220 million; Wealth Management: 4Q23: $25 million, 4Q23 YTD: $105 million; Investment Management: 4Q23: $2 million, 4Q23 YTD: $28 million.

(b) For the quarter and twelve months ended December 31, 2023, Firm results include pre-tax integration-related expenses of $49 million and $293 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; Investment Management: 4Q23: $19 million, 4Q23 YTD: $92 million.

(c) For the quarters ended December 31, 2024, September 30, 2024, and twelve months ended December 31, 2024, Firm results included an FDIC Special Assessment of $(4) million, $(10) million and $36 million, respectively, and $286 million for the quarter and twelve months ended December 31, 2023. This FDIC Special Assessment was reported in the business segments' results as follows: Institutional Securities: 4Q24: $(2) million, 3Q24: $(4) million, 4Q24 YTD: $15 million, 4Q23 and 4Q23 YTD: $121 million; Wealth Management: 4Q24: $(2) million, 3Q24: $(6) million, 4Q24 YTD: $21 million, 4Q23 and 4Q23 YTD: $165 million.

(d) 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) Refer to page 1(2) End Notes from above.

(2) The effective tax rate for the prior year quarter reflects the non-deductibility of a specific legal matter.

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, 2024, September 30, 2024 and December 31, 2023, the U.S. Bank investment securities portfolio included held to maturity investment securities of $47.8 billion, $48.8 billion and $51.4 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: 4Q24: $482mm; 3Q24: $482mm; 4Q23: $471mm; 4Q24 YTD: $482mm; 4Q23 YTD: $471mm.

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:

	4Q24	3Q24	4Q23	4Q24 YTD	4Q23 YTD
Net revenues	$ 7,478	$ 7,270	$ 6,645	$ 28,420	$ 26,268
Adjustment for mark-to-market on DCP	26	(170)	(242)	(239)	(282)
Adjusted Net revenues - non-GAAP	$ 7,504	$ 7,100	$ 6,403	$ 28,181	$ 25,986
Compensation expense	$ 3,950	$ 3,868	$ 3,640	$ 15,207	$ 13,972
Adjustment for mark-to-market on DCP	(58)	(184)	(234)	(431)	(412)
Adjusted Compensation expense - non-GAAP	$ 3,892	$ 3,684	$ 3,406	$ 14,776	$ 13,560

(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: 4Q24: $13,582mm; 3Q24: $13,582mm; 4Q23: $14,075mm; 4Q24 YTD: $13,582mm; 4Q23 YTD: $14,075mm.

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, 2024, September 30, 2024 and December 31, 2023.

(2) Wealth Management deposits details for the quarters ended December 31, 2024, September 30, 2024 and December 31, 2023, are as follows:

	4Q24	3Q24	4Q23
Brokerage sweep deposits	$ 140	$ 131	$ 145
Other deposits	230	227	201
Total deposits	$ 370	$ 358	$ 346

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: 4Q24: $9,676mm; 3Q24: $9,676mm; 4Q23: $9,687mm; 4Q24 YTD: $9,676mm; 4Q23 YTD: $9,687mm.

Page 10:

(1) For the quarters ended December 31, 2024, September 30, 2024 and December 31, 2023, Investment Management reflected loan balances of $204 million, $507 million and $459 million, respectively.

Page 11:

(1) For the quarter ended December 31, 2024, 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, 2024	$ 782	$ 322	$ 1,104
Net Charge Offs	(62)	(25)	(87)
Provision	27	38	65
Other	(17)	1	(16)
Ending Balance - December 31, 2024	$ 730	$ 336	$ 1,066
Lending Commitments			
Allowance for Credit Losses (ACL)			
Beginning Balance - September 30, 2024	$ 602	$ 17	$ 619
Net Charge Offs	—	—	—
Provision	51	(1)	50
Other	(13)	—	(13)
Ending Balance - December 31, 2024	$ 640	$ 16	$ 656
Loans and Lending Commitments			
Allowance for Credit Losses (ACL)			
Beginning Balance - September 30, 2024	$ 1,384	$ 339	$ 1,723
Net Charge Offs	(62)	(25)	(87)
Provision	78	37	115
Other	(30)	1	(29)
Ending Balance - December 31, 2024	$ 1,370	$ 352	$ 1,722

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, 2025.

End of Document

Morgan Stanley

Four Pillars of Morgan Stanley: The Integrated Firm

Ted Pick, Chairman and Chief Executive Officer

January 16, 2025

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 17 – 20 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.

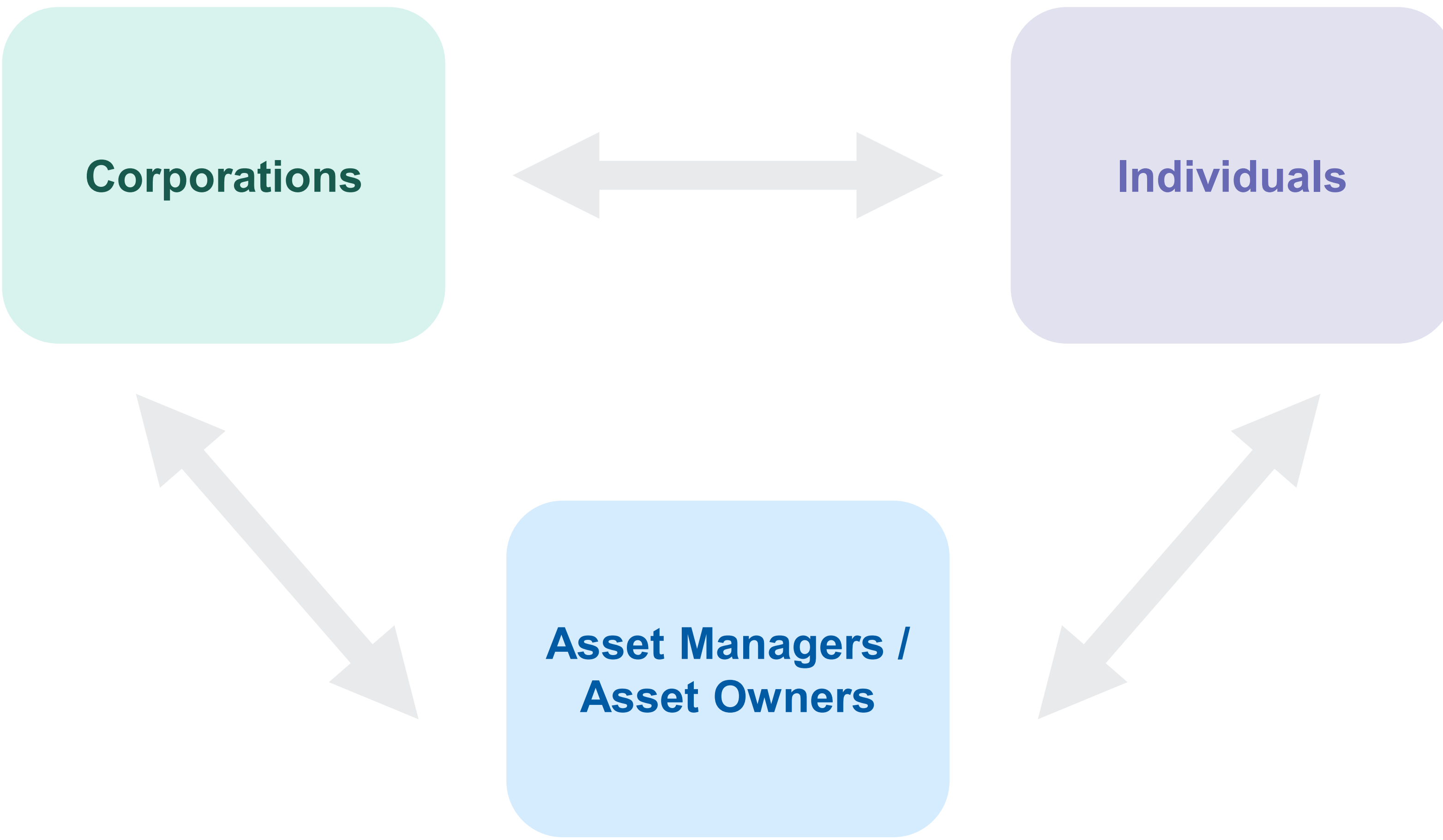
Please note this presentation is available at www.morganstanley.com.

Four Pillars of Morgan Stanley: The Integrated Firm

1 Strategy	2 Culture	3 Financial Strength	4 Growth
Clear and Consistent Strategy in Support of Clients	Rigor, Humility and Partnership	Strong Capital, Liquidity and Earnings	Investing Across the Firm

The End Notes are an integral part of this Presentation. See slides 17-20 at the back of this presentation for information related to the financial metrics and defined terms in this presentation.

1 Our Strategy: To Raise, Manage and Allocate Capital for Clients



The End Notes are an integral part of this Presentation. See slides 17-20 at the back of this presentation for information related to the financial metrics and defined terms in this presentation.

2 Culture: Tenured and Aligned for the Integrated Firm's Long-Term Success

Continuity Across The Firm

Average Length of Service (1)

Firm Operating Committee	Firm Management Committee	Managing Directors
~22 Years	~23 Years	~15 Years

Cross-Firm Experience Embedded in Leadership (2)

~67%

Of Management Committee Has Worked in Multiple Divisions or Regions

~45%

Of All Managing Directors Have Worked in Multiple Divisions or Regions

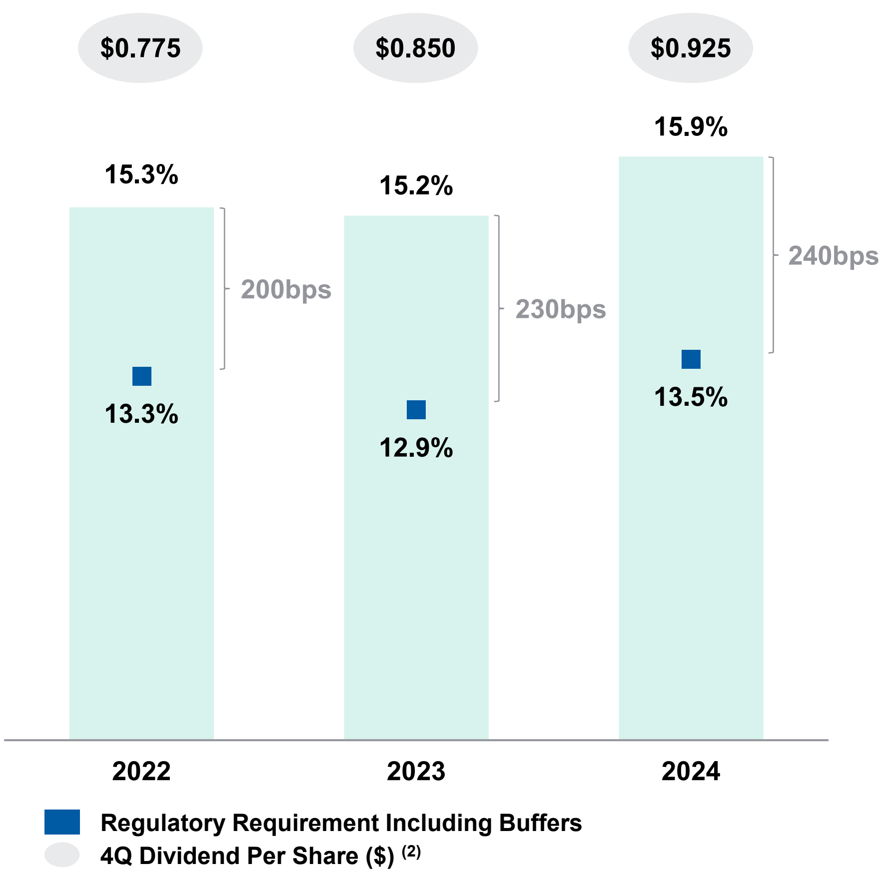
Rigor, Humility, and Partnership

The End Notes are an integral part of this Presentation. See slides 17-20 at the back of this presentation for information related to the financial metrics and defined terms in this presentation.

3 Financial Strength: Maintained Strong Capital While Growing the Dividend and Driving Earnings Growth

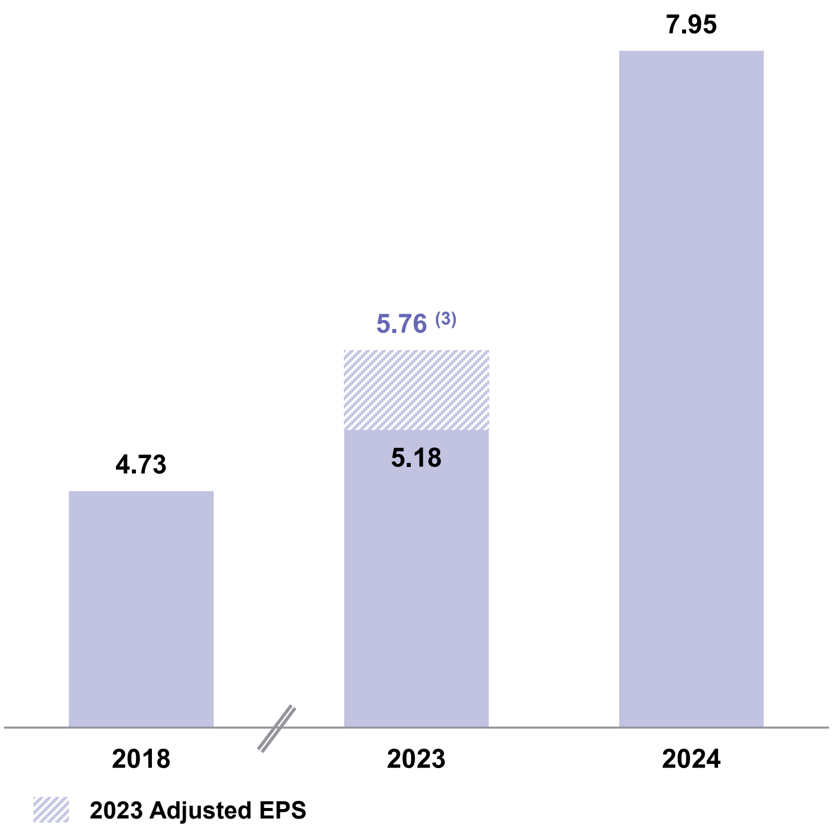
Consistently Strong Capital Position with Dividend Growth

Common Equity Tier 1 Ratio (%) [1]



Step-Change in Earnings Growth

EPS ($)

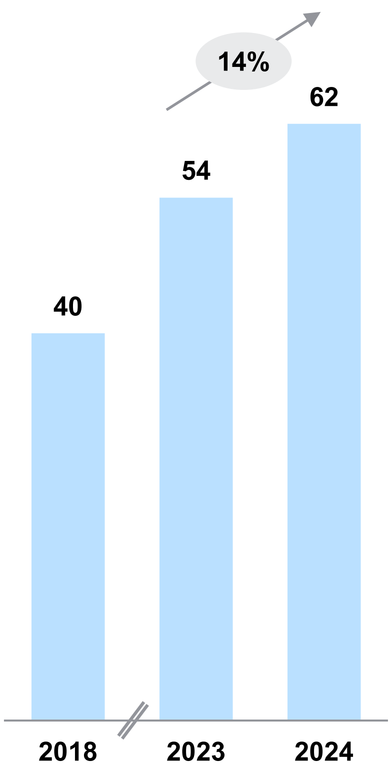


The End Notes are an integral part of this Presentation. See slides 17-20 at the back of this presentation for information related to the financial metrics and defined terms in this presentation.

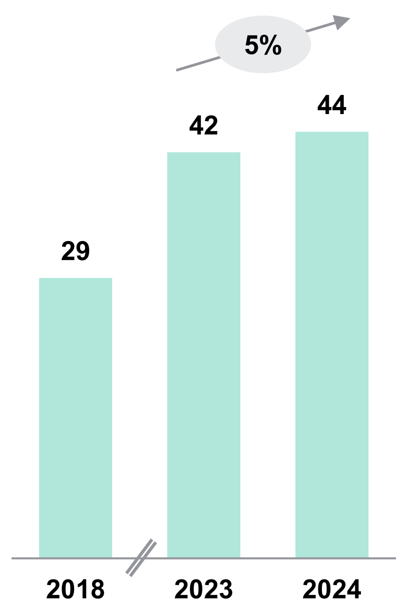
4 Revenues and Earnings Growth Reflects Returns on Investments for Growth and Operating Leverage

Revenue Growth Outpacing Expense Growth

Firm Net Revenues ($Bn)



Firm Expenses ($Bn)



Investments for Growth

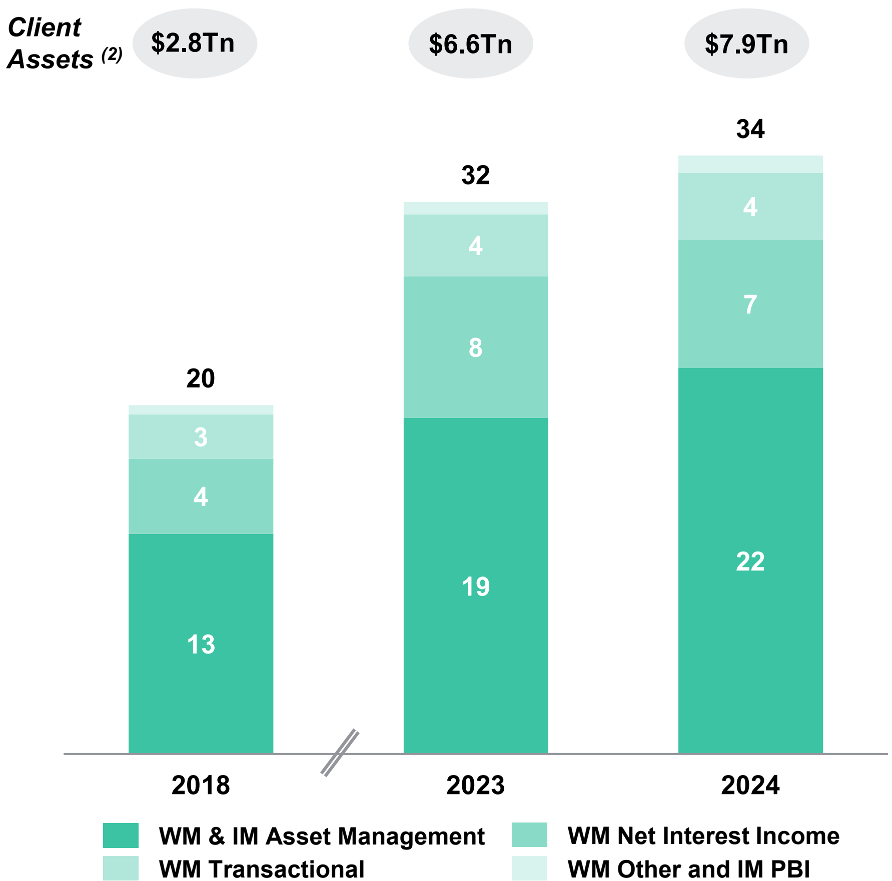
- Talent Across Businesses
- Differentiated Client Solutions
- Expanded Bank Offering
- World-Class Technology and Modernization
- Infrastructure to Support Growth
- The Integrated Firm

The End Notes are an integral part of this Presentation. See slides 17-20 at the back of this presentation for information related to the financial metrics and defined terms in this presentation.

4 Revenue Growth Resulting from Asset and Share Growth

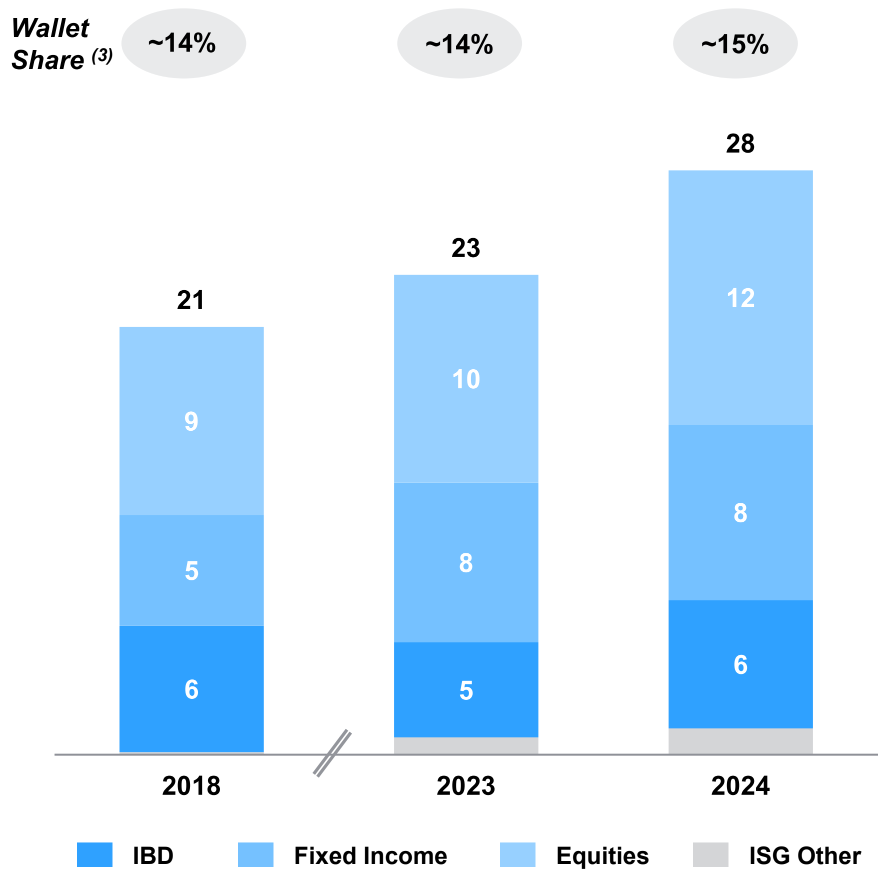
Industry Leader Across Wealth & Investment Management

Wealth & Investment Management Net Revenues ($Bn) [1]



Strength Across Institutional Securities Businesses

Institutional Securities Net Revenues ($Bn)

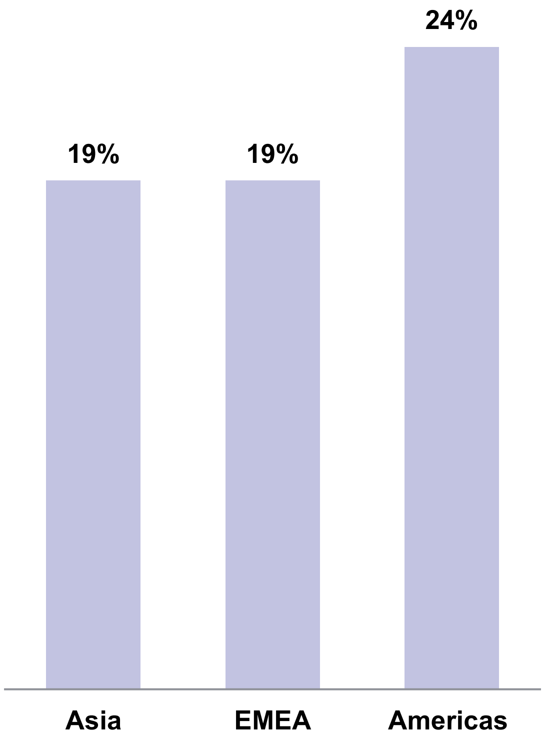


The End Notes are an integral part of this Presentation. See slides 17-20 at the back of this presentation for information related to the financial metrics and defined terms in this presentation.

4 In Institutional Securities, Global Footprint and Prudent Capital Management Support Operating Leverage

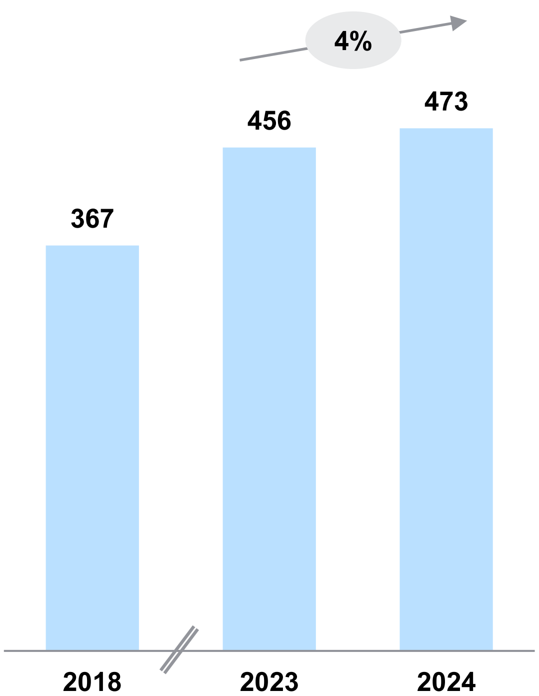
Growth with Global Footprint

ISG Net Revenues 2024 YoY Growth (%)



With Efficient Allocation of RWA Growth

Firm RWAs ($Bn) [1]



Demonstrating Global Growth and Operating Leverage [2]

22%

Global ISG Net Revenues 2024 YoY Growth

31%

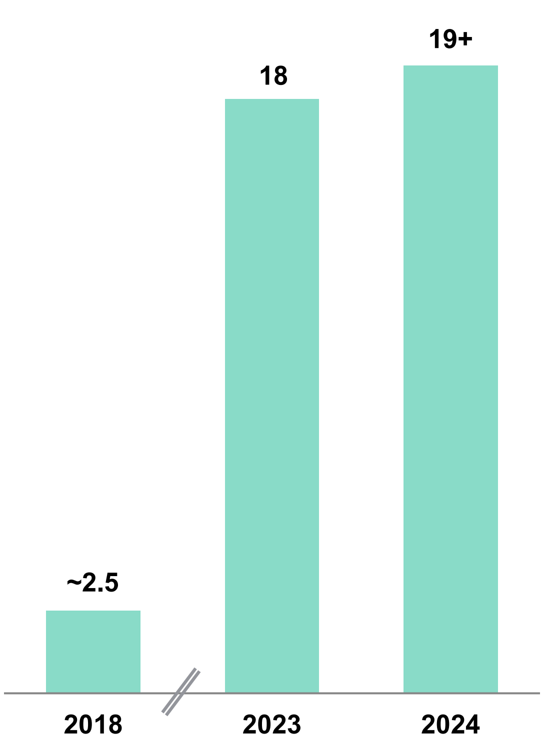
2024 ISG Pre-Tax Margin

The End Notes are an integral part of this Presentation. See slides 17-20 at the back of this presentation for information related to the financial metrics and defined terms in this presentation.

4 In Wealth Management, Continued Investments in Our Client Acquisition Funnel and Differentiated Platform…

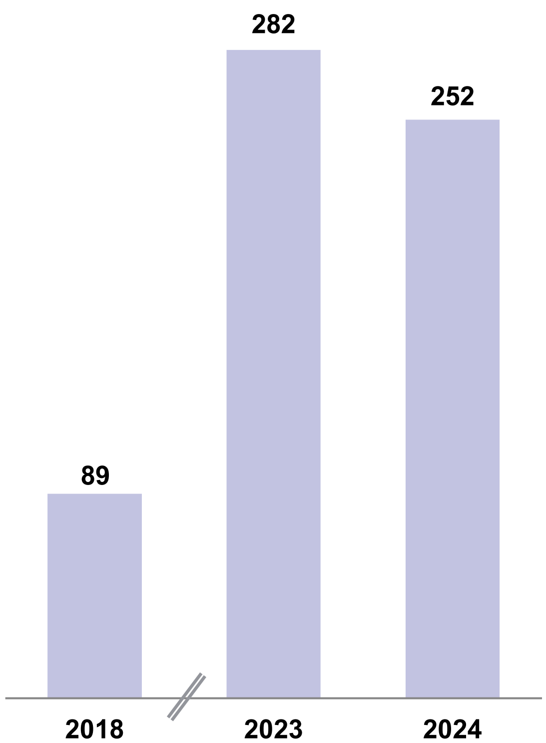
Reaching More Relationships

Core Client Relationships (MM) (1)



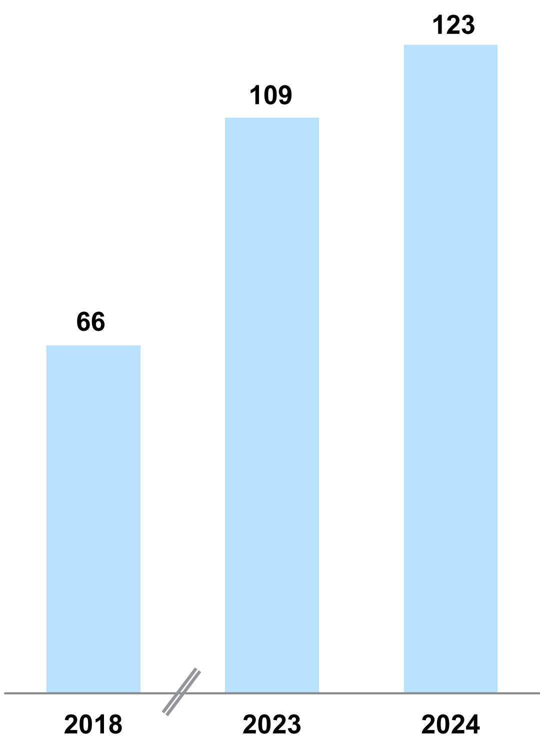
Expanding Net New Assets

Net New Assets ($Bn) (2)



With Momentum in Driving Fee-Based Flows

Fee-Based Flows ($Bn) (3)



The End Notes are an integral part of this Presentation. See slides 17-20 at the back of this presentation for information related to the financial metrics and defined terms in this presentation.

4 …Attract Long Duration Clients Supporting Fee-Based Revenue Growth

Advisor-Led Clients Are Enduring [1]

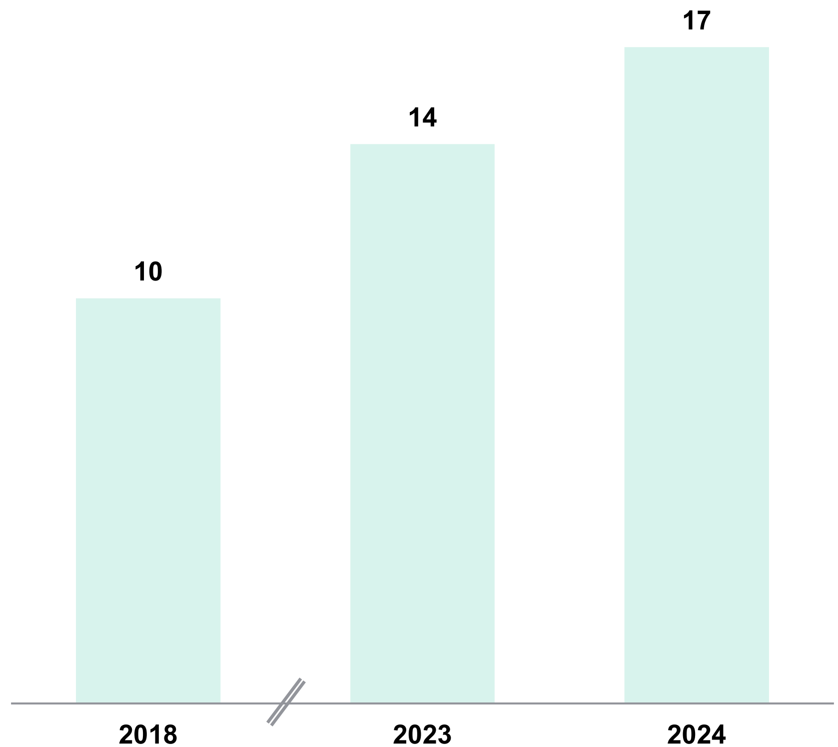
~10% Advisor-Led Assets — Average Duration of <2 Years

~30% Advisor-Led Assets — Average Duration of ~2-10 Years

~60% Advisor-Led Assets — Average Duration of ~21 Years

Supporting Expansion of Fee-Based Revenues

WM Asset Management Revenues ($Bn)

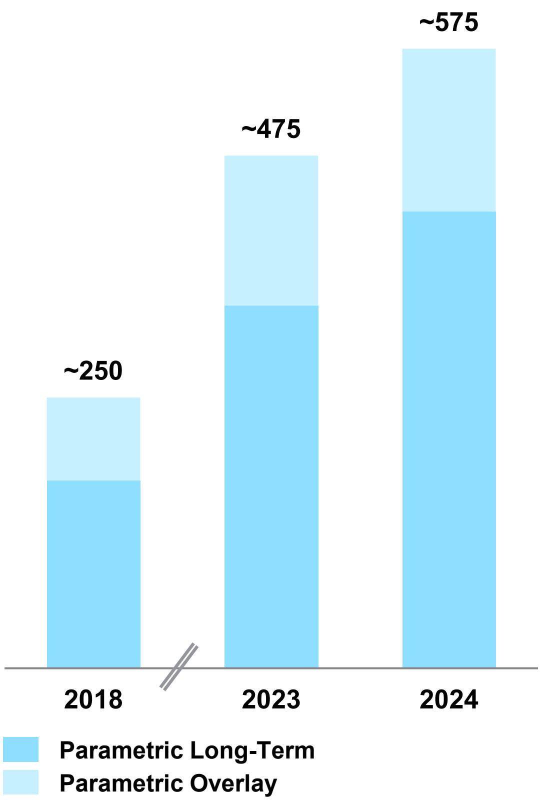


The End Notes are an integral part of this Presentation. See slides 17-20 at the back of this presentation for information related to the financial metrics and defined terms in this presentation.

4 In Investment Management, Continued Investments in Parametric and Alternatives Support Fee-Based Revenues

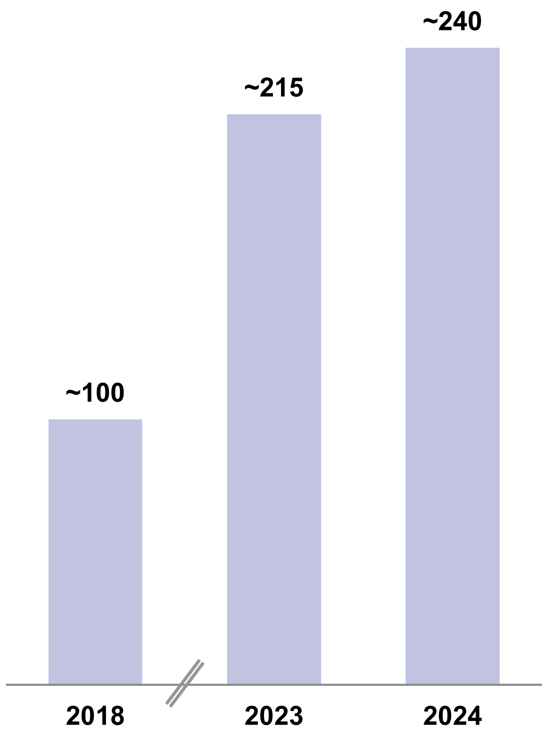
Parametric Leading with Innovation and Scale

Parametric AuM ($Bn) (1)



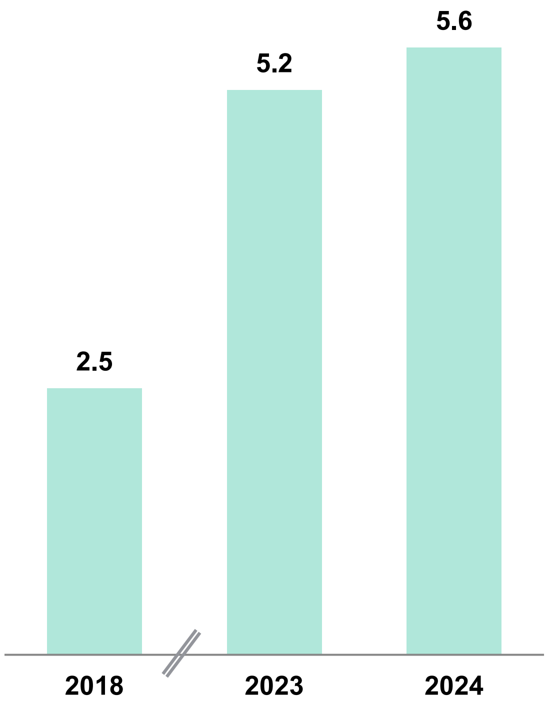
Alternatives Platform Has More Than Doubled

Investable Capital ($Bn) (2)



Growth in Fee-Based Revenues

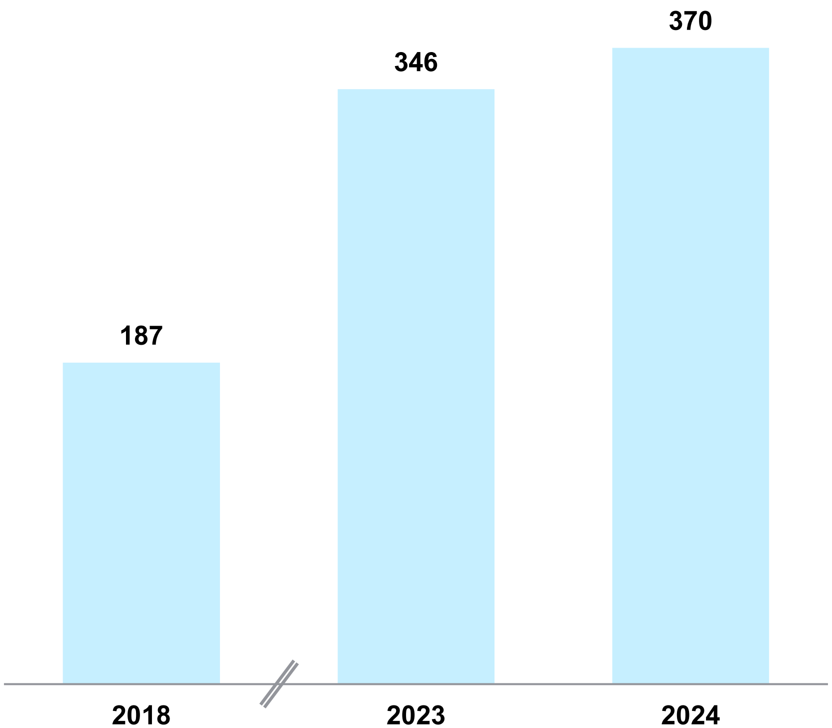
AM and Related Fees ($Bn)



4 With Investments into the Bank Contributing to Growth

Deposits Supporting Client Loans on the Bank

Deposits ($Bn) [1]



Opportunities to Grow Assets and Deposits

Drive Lending Growth

Grow the Deposit Base

Invest in Marketing and Technology

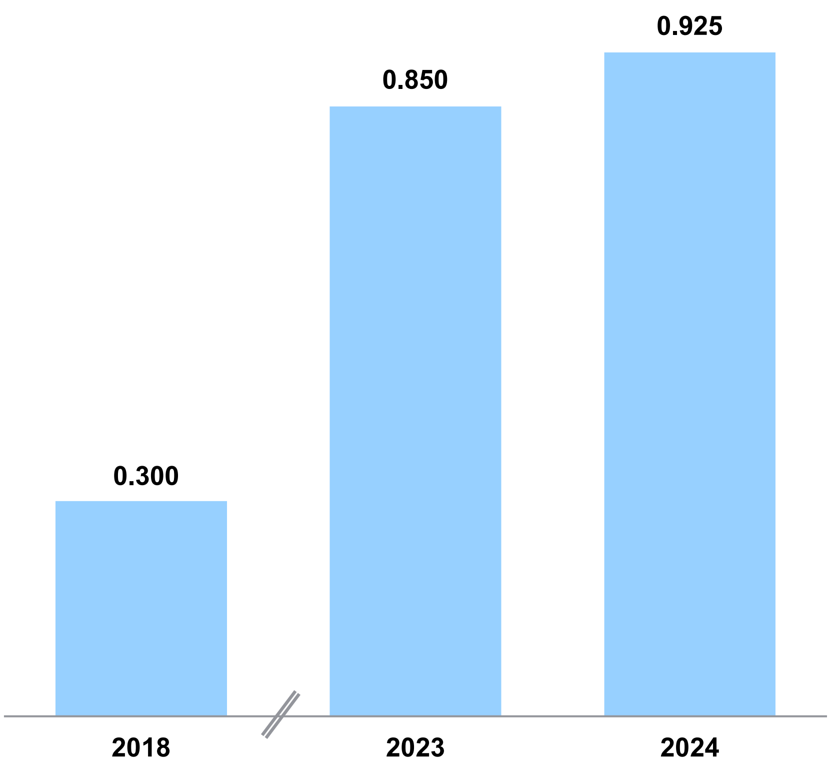
Support the Integrated Firm

The End Notes are an integral part of this Presentation. See slides 17-20 at the back of this presentation for information related to the financial metrics and defined terms in this presentation.

Clear Commitment to Dividend Reflects Growth in Durable Revenues

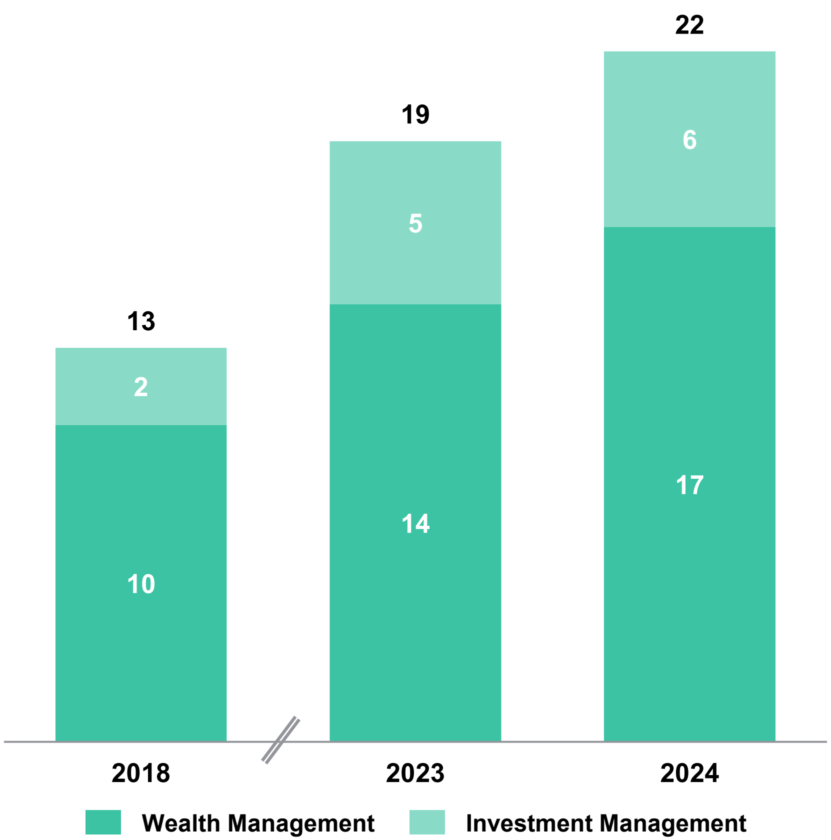
Strong Dividend Growth

4Q Dividend Per Share ($)



Reflecting Growth in Wealth & Investment Management Fee-based Revenues

WM & IM Asset Management Revenues ($Bn) (1)



The End Notes are an integral part of this Presentation. See slides 17-20 at the back of this presentation for information related to the financial metrics and defined terms in this presentation.

Looking Ahead, Growth Augmented by the Evolution of the Integrated Firm

Raise, Manage and Allocate Capital for Our Clients Across the Integrated Firm

Today: Focused & Selected	Future Path: Top Down at Scale
Collaborative Culture	Integrated Firm Organization and Executive Leadership
Focus on Top Firmwide Clients	Proactive Coverage at Scale
Selected Client Data Integrated	Integrated Firmwide Client Data Platform
Stable and Strong Risk Management and Infrastructure	Scaled Risk Management and Infrastructure on Pace with Growth

The End Notes are an integral part of this Presentation. See slides 17-20 at the back of this presentation for information related to the financial metrics and defined terms in this presentation.

Morgan Stanley: Four Pillars of the Integrated Firm Driving Toward Firmwide Goals

Firmwide Goals [1]

- Strategy
- Culture
- Financial Strength
- Growth

Client Assets	$10 Trillion +
WM Pre-Tax Margin	30%
ISG Wallet Share	Durable Share Gains
Efficiency Ratio	70%
ROTCE	20%

The End Notes are an integral part of this Presentation. See slides 17-20 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 2024 Financial Supplement included in the Current Report on Form 8-K dated January 16, 2025 (‘**Morgan Stanley Fourth Quarter 2024 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 5

1. **Average Length of Service** reflects total years of service at Morgan Stanley as of January 10, 2025. Managing Directors include promotions and notified terminations as of January 10, 2025.

2. Percentage of total management committee members and managing directors, as of January 10, 2025, who have served in more than one business division or more than one country with Morgan Stanley. For managing directors, those hired via an acquisition are excluded.

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

1. **Common Equity Tier 1 ('CET1')** Ratio is based on the Basel III Standardized Approach Fully Phased-in rules. **Regulatory Requirement Including Buffers** includes the regulatory minimum, Stress Capital Buffer and G-SIB capital surcharge. Both metrics are as of year-end for each respective period.

2. **4Q Dividend Per Share** represents the dividend per share in the fourth quarter of each respective year.

3. **EPS** represents diluted earnings per share.

   For the year ended December 31, 2023, the EPS has also been adjusted to exclude expense items which were highlighted in Morgan Stanley's Annual Report on Form 10-K for the year ended December 31, 2023. This adjusted metric is a non-GAAP financial measure that the firm considers useful to us, investors, analysts, and other stakeholders by providing further transparency about, or an alternate means of assessing or comparing our financial condition.
   - Severance costs of $353 million
   - Legal expenses relating to a specific matter of $249 million
   - Integration-related expenses of $293 million
   - FDIC special assessment of $286 million

	Twelve Months Ended December 31, 2023	
	Diluted EPS ($)	**Earnings applicable to Morgan Stanley common shareholders ($MM)**
Reported Metrics - GAAP	5.18	8,530
Adjustment for Severance costs	0.16	269
Adjustment for Legal expenses	0.14	234
Adjustment for Integration-related expenses	0.14	226
Adjustment for FDIC special assessment	0.13	218
Total Adjustment	0.58	947
Adjusted Metrics - non-GAAP	**5.76**	**9,477**

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

1. **Wealth Management ('WM') & Investment Management ('IM') Net Revenues** represent the sum of reported net revenues for the two segments. **WM and IM Asset Management** revenues represent the sum of Asset Management and Asset Management and related fees **('AM and Related Fees')**, as reported in each respective segment in the Morgan Stanley Fourth Quarter 2024 Financial Supplement. **WM Other and IM PBI** represent the sum of Other and Performance-based income and Other as reported in each respective segment in the Morgan Stanley Fourth Quarter 2024 Financial Supplement. The combined WM and IM includes intersegment activity as a result of each segment reporting revenue or expense from transactions "as if" with external parties, and the firm eliminates the intersegment activity in its consolidated firm results. The combined Net Revenues includes intersegment activity of $152MM, $240MM, and $282MM in 2018, 2023 and 2024, respectively.

End Notes

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

2. **Client Assets** represent the sum of the 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 and investment advisory 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.

3. **Wallet Share** represents the percentage of Morgan Stanley's Institutional Securities **('ISG')** segment net revenues to the Wallet. The **Wallet** represents Investment Banking **('IBD')**, 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. For 2018 and 2023, the peer set includes Credit Suisse, prior to UBS' acquisition completed in June 2023.

   For peers that disclose results between multiple segments, assumptions have been made based on company disclosures. European peer results were translated to USD using average exchange rates for the appropriate period, sourced from Bloomberg.

   The analysis utilizes data for peers that have reported full-year 2024 results as of January 15, 2025. For peers that have not yet reported, a full-year 2024 results estimate is derived assuming the aggregate share of those peers of the Wallet for the first nine months of 2024 remains constant in the fourth quarter of 2024.

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

1. **RWAs** represent risk-weighted assets under the Standardized Approach as of year-end for each respective period.

2. **Pre-Tax Margin** represents income before provision for income taxes as a percentage of net revenues.

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

1. **Core Client Relationships** represent Advisor-Led Households as of 4Q 2018 and Advisor-Led Households, Self-Directed Households, and Workplace Participants, excluding overlap, as of 4Q 2023 and 4Q 2024:
   - **Advisor-Led Households** represent the total number of households that include at least one account with Advisor-Led Clients Assets. Advisor-Led Client Assets represent client assets in accounts that have a WM representative assigned.
   - **Self-Directed Households** represent the total number of households that include at least one active account with Self-Directed Client Assets. Self-Directed Client Assets represent active accounts which are not advisor-led. Active accounts are defined as having at least $25 in assets.
   - **Workplace Participants** represent Stock Plan Participants, Institutional Consulting Participants, and Retirement and Financial Wellness Participants, excluding overlap.
     - **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.
     - **Institutional Consulting Participants** represent participants of corporate clients with institutional consulting plans serviced by Morgan Stanley at Work.
     - **Retirement and Financial Wellness Participants** represent participants of corporate clients with financial wellness and retirement plans serviced by Morgan Stanley at Work.

2. **Net New Assets ('NNA')** represent client asset inflows, inclusive of interest, dividends and asset acquisitions, less client asset outflows and exclude the impact of business combinations/divestitures and the impact of fees and commissions.

3. **Fee-Based 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 Flows, see Fee-based client assets in Morgan Stanley's Annual Report on Form 10-K for the year ended December 31, 2023.

End Notes

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

1. Analysis represents tenure of clients that have advisor-led client assets at Morgan Stanley as of 4Q 2024 and excludes those clients associated with financial advisors recruited over the last nine years.

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

1. **Parametric Long-Term** and **Parametric Overlay** represents AuM reported under the “Alternatives and Solutions” and “Liquidity and Overlay Services” categories, respectively, in the Morgan Stanley Fourth Quarter 2024 Financial Supplement. AuM is as of period end. 2018 data is prior to the close of the Eaton Vance acquisition.

2. **Investable Capital** includes AuM, unfunded commitments, co-investments and leverage across private alternative and liquid alternative strategies. The AuM portion of investable capital is reported under the “Alternatives and Solutions”, “Equities” and “Fixed Income” categories in the Morgan Stanley Fourth Quarter 2024 Financial Supplement. AuM is as of period end.

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

1. **Deposits** reflect liabilities sourced from WM clients and other sources of funding on the U.S. Bank subsidiaries. **U.S. Bank** refers to the Firm's U.S. Bank subsidiaries, Morgan Stanley Bank, N.A. and Morgan Stanley Private Bank, National Association. Deposits include sweep deposit programs, savings and other deposits, and time deposits. Metrics are as of period end.

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

1. The combined WM and IM Asset Management revenues includes intersegment activity as a result of each segment reporting revenue or expense from transactions “as if” with external parties, and the firm eliminates the intersegment activity in its consolidated firm results. The combined Asset Management revenues includes intersegment activity of $131MM, $197MM, and $237MM in 2018, 2023 and 2024, respectively.

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

1. **Efficiency Ratio** represents total non-interest expenses as a percentage of net revenues.

   Return on average tangible common equity (‘ROTCE’) represents 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. 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.

   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

Four Pillars of Morgan Stanley: The Integrated Firm

Ted Pick, Chairman and Chief Executive Officer

January 16, 2025