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

FORM 8-K

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

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

Morgan Stanley
(Exact Name of Registrant
as Specified in Charter)

Delaware	**1-11758**	**36-3145972**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)
1585 Broadway, New York, New York		**10036**
(Address of Principal Executive Offices)		(Zip Code)

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

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value	MS	New York Stock Exchange

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 1/1000th 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 October 16, 2024, Morgan Stanley (the "Company") released financial information with respect to its quarter ended September 30, 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 ended September 30, 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 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
99.1	Press release of the Company, dated October 16, 2024, containing financial information for the quarter ended September 30, 2024.
99.2	Financial Data Supplement of the Company for the quarter ended .
101	Interactive Data Files pursuant to Rule 406 of Regulation S-T formatted in Inline eXtensible Business Reporting Language ("Inline XBRL").
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101).

SIGNATURE

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

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

End of Document

Morgan Stanley

Morgan Stanley Third Quarter 2024 Earnings Results

Morgan Stanley Reports Net Revenues of $15.4 Billion, EPS of $1.88 and ROTCE of 17.5%

NEW YORK, October 16, 2024 – Morgan Stanley (NYSE: MS) today reported net revenues of $15.4 billion for the third quarter ended September 30, 2024 compared with $13.3 billion a year ago. Net income applicable to Morgan Stanley was $3.2 billion, or $1.88 per diluted share,[1] compared with net income of $2.4 billion, or $1.38 per diluted share,[1] for the same period a year ago.

Ted Pick, Chief Executive Officer, said, *"The Firm reported a strong third quarter in a constructive environment across our global footprint. Institutional Securities saw momentum in the markets and underwriting businesses on solid client engagement. Total client assets have surpassed $7.5 trillion across Wealth and Investment Management supported by buoyant equity markets and net asset inflows. Our business model is delivering strong returns while accreting capital, producing an ROTCE of 18.2% through the first three quarters of 2024. Our management continues to be focused on driving durable growth and realizing long-term returns for our shareholders."*

Financial Summary[2,3]

Firm ($ millions, except per share data)	3Q 2024	3Q 2023
Net revenues	$15,383	$13,273
Provision for credit losses	$79	$134
Compensation expense	$6,733	$5,935
Non-compensation expenses	$4,350	$4,059
Pre-tax income[6]	$4,221	$3,145
Net income app. to MS	$3,188	$2,408
Expense efficiency ratio[8]	72 %	75 %
Earnings per diluted share[1]	$1.88	$1.38
Book value per share	$58.25	$55.08
Tangible book value per share[4]	$43.76	$40.53
Return on equity	13.1 %	10.0 %
Return on tangible common equity[4]	17.5 %	13.5 %
Institutional Securities		
Net revenues	$6,815	$5,669
Investment Banking	$1,463	$938
Equity	$3,045	$2,507
Fixed Income	$2,003	$1,947
Wealth Management		
Net revenues	$7,270	$6,404
Fee-based client assets ($ billions)[9]	$2,302	$1,857
Fee-based asset flows ($ billions)[10]	$35.7	$22.5
Net new assets ($ billions)[11]	$63.9	$35.7
Loans ($ billions)	$155.2	$145.8
Investment Management		
Net revenues	$1,455	$1,336
AUM ($ billions)[12]	$1,598	$1,388
Long-term net flows ($ billions)[13]	$7.3	$(6.8)

Highlights

- Net revenues for the third quarter were $15.4 billion, demonstrating the strength of our Integrated Firm with strong results across our business segments.
- The Firm delivered ROTCE of 17.5% during the third quarter and 18.2% year-to-date.[2,4]
- The Firm expense efficiency ratio was 72% for both the third quarter and year-to-date, benefiting from our scale and disciplined expense management while maintaining strong infrastructure to support ongoing growth.[3,8]
- During the quarter, the Firm accreted $2.1 billion of Common Equity Tier 1 capital and ended the quarter with a Standardized Common Equity Tier 1 capital ratio of 15.1%.[16]
- Institutional Securities net revenues of $6.8 billion reflect strong performance in Equity and Fixed Income on higher client activity and increased momentum in Investment Banking.
- Wealth Management delivered a pre-tax margin of 28.3% for the quarter.[7] Record net revenues of $7.3 billion reflect strong asset management and transactional revenues. The business added net new assets of $64 billion in the quarter and total client assets reached $6 trillion.[11] Fee-based asset flows were $36 billion for the quarter and total fee-based assets reached $2.3 trillion.[9,10]
- Investment Management results reflect net revenues of $1.5 billion, primarily driven by asset management revenues on higher average AUM. The quarter included positive long-term net flows of $7 billion and end-of-period AUM of $1.6 trillion.[12,13]

Third Quarter Results

Institutional Securities

Institutional Securities reported net revenues for the current quarter of $6.8 billion compared with $5.7 billion a year ago. Pre-tax income was $1.9 billion compared with $1.2 billion a year ago.[6]

Investment Banking revenues up 56% from a year ago:

- Advisory revenues increased from a year ago on modestly higher completed M&A transactions, with particular strength in EMEA.
- Equity underwriting revenues increased from a year ago driven by higher IPOs, follow-ons and blocks.
- Fixed income underwriting revenues increased significantly from a year ago primarily driven by higher non-investment grade and investment grade issuances.

Equity net revenues up 21% from a year ago:

- Equity net revenues increased from a year ago reflecting higher results across business lines driven by increased client activity, particularly in the Americas and Asia.

Fixed Income net revenues up 3% from a year ago:

- Fixed Income net revenues were essentially unchanged from a year ago reflecting higher results in macro driven by strong client engagement and volatility, largely offset by lower revenues in commodities.

Other:

- Other revenues increased from a year ago primarily driven by mark-to-market gains on investments associated with DCP.[5]

($ millions)	3Q 2024	3Q 2023
Net Revenues	**$6,815**	**$5,669**
Investment Banking	**$1,463**	**$938**
Advisory	$546	$449
Equity underwriting	$362	$237
Fixed income underwriting	$555	$252
Equity	**$3,045**	**$2,507**
Fixed Income	**$2,003**	**$1,947**
Other	**$304**	**$277**
Provision for credit losses	**$68**	**$93**
Total Expenses	**$4,836**	**$4,377**
Compensation	$2,271	$2,057
Non-compensation	$2,565	$2,320

Provision for credit losses:

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

Total Expenses:

- Compensation expense increased from a year ago on higher revenues and higher expenses related to DCP.[5]
- Non-compensation expenses increased from a year ago on higher execution-related expenses.

Wealth Management

Wealth Management reported net revenues of $7.3 billion in the current quarter compared with $6.4 billion a year ago. Net revenues for the quarter include the positive impact of DCP. Record pre-tax income of $2.1 billion[6] in the current quarter resulted in a pre-tax margin of 28.3%.[7]

Net revenues up 14% from a year ago:

- Asset management revenues increased from a year ago on higher asset levels and the cumulative impact of positive fee-based flows.
- Transactional revenues increased 10% 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 products, particularly in our Advisor-led channel.
- Net interest income decreased from a year ago primarily driven by 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 due to lower provisions in the commercial real estate sector compared to the prior year quarter.

Total Expenses:

- Compensation expense increased from a year ago on higher compensable revenues and higher expenses related to DCP.[5]

($ millions)	3Q 2024	3Q 2023
Net Revenues	**$7,270**	**$6,404**
Asset management	$4,266	$3,629
Transactional[14]	$1,076	$678
Net interest	$1,774	$1,952
Other	$154	$145
Provision for credit losses	**$11**	**$41**
Total Expenses	**$5,199**	**$4,654**
Compensation	$3,868	$3,352
Non-compensation	$1,331	$1,302

Investment Management

Investment Management net revenues were $1.5 billion compared with $1.3 billion a year ago. Pre-tax income was $260 million compared with $241 million a year ago.[6]

Net revenues up 9% from a year ago:

- Asset management and related fees increased from a year ago on higher average AUM driven by higher market levels.
- Performance-based income and other revenues increased from a year ago on mark-to-market gains on investments associated with DCP versus losses in the prior year.[5]

Total Expenses:

- Compensation expense increased from a year ago on higher expenses related to DCP.[5]
- Non-compensation expenses increased from a year ago, primarily driven by higher distribution expenses on higher average AUM.

($ millions)	3Q 2024	3Q 2023
Net Revenues	**$1,455**	**$1,336**
Asset management and related fees	$1,384	$1,312
Performance-based income and other	$71	$24
Total Expenses	**$1,195**	**$1,095**
Compensation	$594	$526
Non-compensation	$601	$569

Other Matters

- The Firm repurchased $0.8 billion of its outstanding common stock during the quarter as part of its Share Repurchase Program.
- The Board of Directors declared a $0.925 quarterly dividend per share payable on November 15, 2024 to common shareholders of record on October 31, 2024.
- The effective tax rate for the current quarter was 23.6%.

	3Q 2024	3Q 2023
Common Stock Repurchases		
Repurchases ($MM)	$750	$1,500
Number of Shares (MM)	8	17
Average Price	$99.94	$87.59
Period End Shares (MM)	1,612	1,642
Tax Rate	23.6%	22.6%
Capital[15]		
Standardized Approach		
CET1 capital[16]	15.1 %	15.6 %
Tier 1 capital[16]	17.1 %	17.6 %
Advanced Approach		
CET1 capital[16]	14.9 %	16.1 %
Tier 1 capital[16]	16.9 %	18.2 %
Leverage-based capital		
Tier 1 leverage[17]	6.9 %	6.8 %
SLR[18]	5.5 %	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 third quarter of 2024 and 2023 of approximately $160 million and $146 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, October 16, 2024.

[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 $83.7 billion and $77.9 billion, and supplementary leverage exposure denominator of approximately $1.52 trillion and $1.42 trillion, for the third quarter of 2024 and 2023, respectively.

Consolidated Income Statement Information

(unaudited, dollars in millions)

	Quarter Ended			Percentage Change From:		Nine Months Ended		
	Sep 30, 2024	Jun 30, 2024	Sep 30, 2023	Jun 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023	Percentage Change
Revenues:								
Investment banking	$ 1,590	$ 1,735	$ 1,048	(8 %)	52 %	$ 4,914	$ 3,533	39 %
Trading	4,002	4,131	3,679	(3 %)	9 %	12,985	11,958	9 %
Investments	315	157	144	101 %	119 %	609	384	59 %
Commissions and fees	1,294	1,183	1,098	9 %	18 %	3,704	3,427	8 %
Asset management	5,747	5,424	5,031	6 %	14 %	16,440	14,576	13 %
Other	239	322	296	(26 %)	(19 %)	827	1,036	(20 %)
Total non-interest revenues	13,187	12,952	11,296	2 %	17 %	39,479	34,914	13 %
Interest income	14,185	13,529	12,126	5 %	17 %	40,644	33,019	23 %
Interest expense	11,989	11,462	10,149	5 %	18 %	34,585	26,686	30 %
Net interest	2,196	2,067	1,977	6 %	11 %	6,059	6,333	(4 %)
Net revenues	15,383	15,019	13,273	2 %	16 %	45,538	41,247	10 %
Provision for credit losses	79	76	134	4 %	(41 %)	149	529	(72 %)
Non-interest expenses:								
Compensation and benefits	6,733	6,460	5,935	4 %	13 %	19,889	18,607	7 %
Non-compensation expenses:								
Brokerage, clearing and exchange fees	1,044	995	855	5 %	22 %	2,960	2,611	13 %
Information processing and communications	1,042	1,011	947	3 %	10 %	3,029	2,788	9 %
Professional services	711	753	759	(6 %)	(6 %)	2,103	2,236	(6 %)
Occupancy and equipment	473	464	456	2 %	4 %	1,378	1,367	1 %
Marketing and business development	224	245	191	(9 %)	17 %	686	674	2 %
Other	856	941	851	(9 %)	1 %	2,654	2,718	(2 %)
Total non-compensation expenses	4,350	4,409	4,059	(1 %)	7 %	12,810	12,394	3 %
Total non-interest expenses	11,083	10,869	9,994	2 %	11 %	32,699	31,001	5 %
Income before provision for income taxes	4,221	4,074	3,145	4 %	34 %	12,690	9,717	31 %
Provision for income taxes	995	957	710	4 %	40 %	2,885	2,028	42 %
Net income	$ 3,226	$ 3,117	$ 2,435	3 %	32 %	$ 9,805	$ 7,689	28 %
Net income applicable to nonredeemable noncontrolling interests	38	41	27	(7 %)	41 %	129	119	8 %
Net income applicable to Morgan Stanley	3,188	3,076	2,408	4 %	32 %	9,676	7,570	28 %
Preferred stock dividend	160	134	146	19 %	10 %	440	423	4 %
Earnings applicable to Morgan Stanley common shareholders	$ 3,028	$ 2,942	$ 2,262	3 %	34 %	$ 9,236	$ 7,147	29 %

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 $1,179 million and $3,204 million for the three months and nine months ended September 30, 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: 3Q24: $15,144 million, 2Q24: $15,073 million, 3Q23: $13,475 million, 3Q24 YTD: $45,166 million, 3Q23 YTD: $41,182 million.
- Firm compensation expenses excluding DCP were: 3Q24: $6,457 million, 2Q24: $6,405 million, 3Q23: $5,992 million, 3Q24 YTD: $19,309 million, 3Q23 YTD: $18,293 million.
- The End Notes are an integral part of this presentation. Refer to pages 12 - 17 of the Financial Supplement for Definition of U.S. GAAP to Non-GAAP Measures, Definitions of Performance Metrics and Terms, Supplemental Quantitative Details and Calculations, and Legal Notice.

Consolidated Financial Metrics, Ratios and Statistical Data

(unaudited)

	Quarter Ended			Percentage Change From:		Nine Months Ended		
	Sep 30, 2024	Jun 30, 2024	Sep 30, 2023	Jun 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023	Percentage Change
Financial Metrics:								
Earnings per basic share	$ 1.91	$ 1.85	$ 1.39	3 %	37 %	$ 5.79	$ 4.37	32 %
Earnings per diluted share	$ 1.88	$ 1.82	$ 1.38	3 %	36 %	$ 5.73	$ 4.33	32 %
Return on average common equity	13.1 %	13.0 %	10.0 %			13.5 %	10.5 %	
Return on average tangible common equity	17.5 %	17.5 %	13.5 %			18.2 %	14.2 %	
Book value per common share	$ 58.25	$ 56.80	$ 55.08			$ 58.25	$ 55.08	
Tangible book value per common share	$ 43.76	$ 42.30	$ 40.53			$ 43.76	$ 40.53	
Financial Ratios:								
Pre-tax margin	27 %	27 %	24 %			28 %	24 %	
Compensation and benefits as a % of net revenues	44 %	43 %	45 %			44 %	45 %	
Non-compensation expenses as a % of net revenues	28 %	29 %	31 %			28 %	30 %	
Firm expense efficiency ratio	72 %	72 %	75 %			72 %	75 %	
Effective tax rate	23.6 %	23.5 %	22.6 %			22.7 %	20.9 %	
Statistical Data:								
Period end common shares outstanding (millions)	1,612	1,619	1,642	— %	(2 %)			
Average common shares outstanding (millions)								
Basic	1,588	1,594	1,624	— %	(2 %)	1,594	1,635	(3 %)
Diluted	1,609	1,611	1,643	— %	(2 %)	1,612	1,653	(2 %)
Worldwide employees	80,205	79,066	80,710	1 %	(1 %)			

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

End of Document

Morgan Stanley

Third Quarter 2024 Earnings Results

Quarterly Financial Supplement

Consolidated Financial Summary

(unaudited, dollars in millions)

	Quarter Ended			Percentage Change From:		Nine Months Ended		Percentage
	Sep 30, 2024	Jun 30, 2024	Sep 30, 2023	Jun 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023	Change
Net revenues								
Institutional Securities	$ 6,815	$ 6,982	$ 5,669	(2 %)	20 %	$ 20,813	$ 18,120	15 %
Wealth Management	7,270	6,792	6,404	7 %	14 %	20,942	19,623	7 %
Investment Management	1,455	1,386	1,336	5 %	9 %	4,218	3,906	8 %
Intersegment Eliminations	(157)	(141)	(136)	(11 %)	(15 %)	(435)	(402)	(8 %)
Net revenues [1]	$ 15,383	$ 15,019	$ 13,273	2 %	16 %	$ 45,538	$ 41,247	10 %
Provision for credit losses	$ 79	$ 76	$ 134	4 %	(41 %)	$ 149	$ 529	(72 %)
Non-interest expenses								
Institutional Securities	$ 4,836	$ 4,882	$ 4,377	(1 %)	10 %	$ 14,381	$ 13,673	5 %
Wealth Management	5,199	4,949	4,654	5 %	12 %	15,230	14,371	6 %
Investment Management	1,195	1,164	1,095	3 %	9 %	3,495	3,329	5 %
Intersegment Eliminations	(147)	(126)	(132)	(17 %)	(11 %)	(407)	(372)	(9 %)
Non-interest expenses [1][2]	$ 11,083	$ 10,869	$ 9,994	2 %	11 %	$ 32,699	$ 31,001	5 %
Income before provision for income taxes								
Institutional Securities	$ 1,911	$ 2,046	$ 1,199	(7 %)	59 %	$ 6,308	$ 4,068	55 %
Wealth Management	2,060	1,821	1,709	13 %	21 %	5,687	5,102	11 %
Investment Management	260	222	241	17 %	8 %	723	577	25 %
Intersegment Eliminations	(10)	(15)	(4)	33 %	(150 %)	(28)	(30)	7 %
Income before provision for income taxes	$ 4,221	$ 4,074	$ 3,145	4 %	34 %	$ 12,690	$ 9,717	31 %
Net Income applicable to Morgan Stanley								
Institutional Securities	$ 1,436	$ 1,520	$ 912	(6 %)	57 %	$ 4,775	$ 3,149	52 %
Wealth Management	1,568	1,403	1,320	12 %	19 %	4,374	4,004	9 %
Investment Management	192	165	179	16 %	7 %	549	440	25 %
Intersegment Eliminations	(8)	(12)	(3)	33 %	(167 %)	(22)	(23)	4 %
Net Income applicable to Morgan Stanley	$ 3,188	$ 3,076	$ 2,408	4 %	32 %	$ 9,676	$ 7,570	28 %
Earnings applicable to Morgan Stanley common shareholders	$ 3,028	$ 2,942	$ 2,262	3 %	34 %	$ 9,236	$ 7,147	29 %

Notes:

- Firm net revenues excluding mark-to-market gains and losses on deferred cash-based compensation plans (DCP) were: 3Q24: $15,144 million, 2Q24: $15,073 million, 3Q23: $13,475 million, 3Q24 YTD: $45,166 million, 3Q23 YTD: $41,182 million.
- Firm compensation expenses excluding DCP were: 3Q24: $6,457 million, 2Q24: $6,405 million, 3Q23: $5,992 million, 3Q24 YTD: $19,309 million, 3Q23 YTD: $18,293 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.

Consolidated Financial Metrics, Ratios and Statistical Data
(unaudited)

	Quarter Ended			Percentage Change From:		Nine Months Ended		Percentage Change
	Sep 30, 2024	Jun 30, 2024	Sep 30, 2023	Jun 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023	
Financial Metrics:								
Earnings per basic share	$ 1.91	$ 1.85	$ 1.39	3 %	37 %	$ 5.79	$ 4.37	32 %
Earnings per diluted share	$ 1.88	$ 1.82	$ 1.38	3 %	36 %	$ 5.73	$ 4.33	32 %
Return on average common equity	13.1 %	13.0 %	10.0 %			13.5 %	10.5 %	
Return on average tangible common equity	17.5 %	17.5 %	13.5 %			18.2 %	14.2 %	
Book value per common share	$ 58.25	$ 56.80	$ 55.08			$ 58.25	$ 55.08	
Tangible book value per common share	$ 43.76	$ 42.30	$ 40.53			$ 43.76	$ 40.53	
Financial Ratios:								
Pre-tax margin	27 %	27 %	24 %			28 %	24 %	
Compensation and benefits as a % of net revenues	44 %	43 %	45 %			44 %	45 %	
Non-compensation expenses as a % of net revenues	28 %	29 %	31 %			28 %	30 %	
Firm expense efficiency ratio	72 %	72 %	75 %			72 %	75 %	
Effective tax rate	23.6 %	23.5 %	22.6 %			22.7 %	20.9 %	
Statistical Data:								
Period end common shares outstanding (millions)	1,612	1,619	1,642	— %	(2 %)			
Average common shares outstanding (millions)								
Basic	1,588	1,594	1,624	— %	(2 %)	1,594	1,635	(3 %)
Diluted	1,609	1,611	1,643	— %	(2 %)	1,612	1,653	(2 %)
Worldwide employees	80,205	79,066	80,710	1 %	(1 %)			

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Consolidated and U.S. Bank Supplemental Financial Information

(unaudited, dollars in millions)

	Quarter Ended			Percentage Change From:		Nine Months Ended		Percentage
	Sep 30, 2024	Jun 30, 2024	Sep 30, 2023	Jun 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023	Change
Consolidated Balance sheet								
Total assets	$ 1,258,027	$ 1,212,447	$ 1,169,013	4 %	8 %			
Loans [1]	$ 239,760	$ 237,696	$ 224,957	1 %	7 %			
Deposits	$ 363,722	$ 348,890	$ 345,458	4 %	5 %			
Long-term debt outstanding	$ 291,224	$ 269,897	$ 242,843	8 %	20 %			
Maturities of long-term debt outstanding (next 12 months)	$ 25,097	$ 18,797	$ 21,514	34 %	17 %			
Average liquidity resources	$ 342,620	$ 319,580	$ 307,367	7 %	11 %			
Common equity	$ 93,897	$ 91,964	$ 90,461	2 %	4 %			
Less: Goodwill and intangible assets	(23,354)	(23,480)	(23,900)	(1 %)	(2 %)			
Tangible common equity	$ 70,543	$ 68,484	$ 66,561	3 %	6 %			
Preferred equity	$ 9,750	$ 8,750	$ 8,750	11 %	11 %			
U.S. Bank Supplemental Financial Information								
Total assets	$ 420,923	$ 400,140	$ 388,098	5 %	8 %			
Loans	$ 224,276	$ 220,900	$ 209,135	2 %	7 %			
Investment securities portfolio [2]	$ 124,551	$ 119,197	$ 114,780	4 %	9 %			
Deposits	$ 357,548	$ 342,900	$ 339,927	4 %	5 %			
Regional revenues								
Americas	$ 11,557	$ 11,268	$ 10,268	3 %	13 %	$ 34,392	$ 31,453	9 %
EMEA (Europe, Middle East, Africa)	1,828	1,871	1,479	(2 %)	24 %	5,525	4,716	17 %
Asia	1,998	1,880	1,526	6 %	31 %	5,621	5,078	11 %
Consolidated net revenues	$ 15,383	$ 15,019	$ 13,273	2 %	16 %	$ 45,538	$ 41,247	10 %

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 Average Common Equity and Regulatory Capital Information

(unaudited, dollars in billions)

	Quarter Ended			Percentage Change From:		Nine Months Ended		Percentage
	Sep 30, 2024	Jun 30, 2024	Sep 30, 2023	Jun 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 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	7.8	5.7	6.0	37 %	30 %	6.1	6.3	(3 %)
Firm	$ 92.7	$ 90.6	$ 90.8	2 %	2 %	$ 91.0	$ 91.1	— %
Regulatory Capital								
Common Equity Tier 1 capital	$ 73.9	$ 71.8	$ 69.1	3 %	7 %			
Tier 1 capital	$ 83.7	$ 80.5	$ 77.9	4 %	7 %			
Standardized Approach								
Risk-weighted assets	$ 489.7	$ 472.1	$ 443.8	4 %	10 %			
Common Equity Tier 1 capital ratio	15.1 %	15.2 %	15.6 %					
Tier 1 capital ratio	17.1 %	17.1 %	17.6 %					
Advanced Approach								
Risk-weighted assets	$ 495.1	$ 464.6	$ 429.1	7 %	15 %			
Common Equity Tier 1 capital ratio	14.9 %	15.5 %	16.1 %					
Tier 1 capital ratio	16.9 %	17.3 %	18.2 %					
Leverage-based capital								
Tier 1 leverage ratio	6.9 %	6.8 %	6.8 %					
Supplementary Leverage Ratio	5.5 %	5.5 %	5.5 %					

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Morgan Stanley

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

	Quarter Ended			Percentage Change From:		Nine Months Ended		Percentage
	Sep 30, 2024	Jun 30, 2024	Sep 30, 2023	Jun 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023	Change
Revenues:								
Advisory	$ 546	$ 592	$ 449	(8 %)	22 %	$ 1,599	$ 1,542	4 %
Equity	362	352	237	3 %	53 %	1,144	664	72 %
Fixed income	555	675	252	(18 %)	120 %	1,786	1,054	69 %
Underwriting	917	1,027	489	(11 %)	88 %	2,930	1,718	71 %
Investment banking	1,463	1,619	938	(10 %)	56 %	4,529	3,260	39 %
Equity	3,045	3,018	2,507	1 %	21 %	8,905	7,784	14 %
Fixed income	2,003	1,999	1,947	— %	3 %	6,487	6,239	4 %
Other	304	346	277	(12 %)	10 %	892	837	7 %
Net revenues	6,815	6,982	5,669	(2 %)	20 %	20,813	18,120	15 %
Provision for credit losses	68	54	93	26 %	(27 %)	124	379	(67 %)
Compensation and benefits	2,271	2,291	2,057	(1 %)	10 %	6,905	6,637	4 %
Non-compensation expenses	2,565	2,591	2,320	(1 %)	11 %	7,476	7,036	6 %
Total non-interest expenses	4,836	4,882	4,377	(1 %)	10 %	14,381	13,673	5 %
Income before provision for income taxes	1,911	2,046	1,199	(7 %)	59 %	6,308	4,068	55 %
Net income applicable to Morgan Stanley	$ 1,436	$ 1,520	$ 912	(6 %)	57 %	$ 4,775	$ 3,149	52 %
Pre-tax margin	28 %	29 %	21 %			30 %	22 %	
Compensation and benefits as a % of net revenues	33 %	33 %	36 %			33 %	37 %	
Non-compensation expenses as a % of net revenues	38 %	37 %	41 %			36 %	39 %	
Return on Average Common Equity	12 %	13 %	7 %			13 %	8 %	
Return on Average Tangible Common Equity [(1)]	12 %	13 %	7 %			13 %	8 %	
Trading VaR (Average Daily 95% / One-Day VaR)	$ 46	$ 48	$ 48					

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

	Quarter Ended			Percentage Change From:		Nine Months Ended		Percentage
	Sep 30, 2024	Jun 30, 2024	Sep 30, 2023	Jun 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023	Change
Revenues:								
Asset management	$ 4,266	$ 3,989	$ 3,629	7 %	18 %	$ 12,084	$ 10,463	15 %
Transactional	1,076	782	678	38 %	59 %	2,891	2,468	17 %
Net interest income	1,774	1,798	1,952	(1 %)	(9 %)	5,428	6,266	(13 %)
Other	154	223	145	(31 %)	6 %	539	426	27 %
Net revenues [1]	7,270	6,792	6,404	7 %	14 %	20,942	19,623	7 %
Provision for credit losses	11	22	41	(50 %)	(73 %)	25	150	(83 %)
Compensation and benefits [1]	3,868	3,601	3,352	7 %	15 %	11,257	10,332	9 %
Non-compensation expenses	1,331	1,348	1,302	(1 %)	2 %	3,973	4,039	(2 %)
Total non-interest expenses	5,199	4,949	4,654	5 %	12 %	15,230	14,371	6 %
Income before provision for income taxes	2,060	1,821	1,709	13 %	21 %	5,687	5,102	11 %
Net income applicable to Morgan Stanley	$ 1,568	$ 1,403	$ 1,320	12 %	19 %	$ 4,374	$ 4,004	9 %
Pre-tax margin	28 %	27 %	27 %			27 %	26 %	
Compensation and benefits as a % of net revenues	53 %	53 %	52 %			54 %	53 %	
Non-compensation expenses as a % of net revenues	18 %	20 %	20 %			19 %	21 %	
Return on Average Common Equity	21 %	19 %	18 %			19 %	18 %	
Return on Average Tangible Common Equity [2]	39 %	35 %	35 %			37 %	35 %	

Notes:

- Wealth Management net revenues excluding DCP were: 3Q24: $7,100 million, 2Q24: $6,837 million, 3Q23: $6,547 million, 3Q24 YTD: $20,677 million, 3Q23 YTD: $19,583 million.
- Wealth Management compensation expenses excluding DCP were: 3Q24: $3,684 million, 2Q24: $3,568 million, 3Q23: $3,400 million, 3Q24 YTD: $10,884 million, 3Q23 YTD: $10,154 million.
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Wealth Management
Financial Information and Statistical Data
(unaudited, dollars in billions)

	Quarter Ended			Percentage Change From:	
	Sep 30, 2024	Jun 30, 2024	Sep 30, 2023	Jun 30, 2024	Sep 30, 2023
Wealth Management Metrics					
Total client assets	$ 5,974	$ 5,690	$ 4,798	5 %	25 %
Net new assets	$ 63.9	$ 36.4	$ 35.7	76 %	79 %
U.S. Bank loans	$ 155.2	$ 150.9	$ 145.8	3 %	6 %
Margin and other lending (1)	$ 25.7	$ 25.5	$ 23.1	1 %	11 %
Deposits (2)	$ 358	$ 343	$ 340	4 %	5 %
Annualized weighted average cost of deposits					
Period end	2.99 %	3.11 %	2.86 %		
Period average	3.19 %	3.03 %	2.69 %		
Advisor-led channel					
Advisor-led client assets	$ 4,647	$ 4,443	$ 3,755	5 %	24 %
Fee-based client assets	$ 2,302	$ 2,188	$ 1,857	5 %	24 %
Fee-based asset flows	$ 35.7	$ 26.0	$ 22.5	37 %	59 %
Fee-based assets as a % of advisor-led client assets	50 %	49 %	49 %		
Self-directed channel					
Self-directed client assets	$ 1,327	$ 1,247	$ 1,043	6 %	27 %
Daily average revenue trades (000's)	815	781	735	4 %	11 %
Self-directed households (millions)	8.2	8.2	8.1	— %	1 %
Workplace channel					
Stock plan unvested assets	$ 461	$ 452	$ 377	2 %	22 %
Number of stock plan participants (millions)	6.7	6.6	6.6	2 %	2 %

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

	Quarter Ended			Percentage Change From:		Nine Months Ended		Percentage
	Sep 30, 2024	Jun 30, 2024	Sep 30, 2023	Jun 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023	Change
Revenues:								
Asset management and related fees	$ 1,384	$ 1,342	$ 1,312	3 %	5 %	$ 4,072	$ 3,828	6 %
Performance-based income and other	71	44	24	61 %	196 %	146	78	87 %
Net revenues	1,455	1,386	1,336	5 %	9 %	4,218	3,906	8 %
Compensation and benefits	594	568	526	5 %	13 %	1,727	1,638	5 %
Non-compensation expenses	601	596	569	1 %	6 %	1,768	1,691	5 %
Total non-interest expenses	1,195	1,164	1,095	3 %	9 %	3,495	3,329	5 %
Income before provision for income taxes	260	222	241	17 %	8 %	723	577	25 %
Net income applicable to Morgan Stanley	$ 192	$ 165	$ 179	16 %	7 %	$ 549	$ 440	25 %
Pre-tax margin	18 %	16 %	18 %			17 %	15 %	
Compensation and benefits as a % of net revenues	41 %	41 %	39 %			41 %	42 %	
Non-compensation expenses as a % of net revenues	41 %	43 %	43 %			42 %	43 %	
Return on Average Common Equity	7 %	6 %	7 %			7 %	6 %	
Return on Average Tangible Common Equity [(1)]	68 %	58 %	98 %			65 %	80 %	

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

	Quarter Ended			Percentage Change From:		Nine Months Ended		Percentage
	Sep 30, 2024	Jun 30, 2024	Sep 30, 2023	Jun 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023	Change
Assets Under Management or Supervision (AUM)								
Net Flows by Asset Class								
Equity	$ (5.6)	$ (9.2)	$ (5.5)	39 %	(2 %)	$ (20.3)	$ (12.9)	(57 %)
Fixed Income	4.4	1.0	(2.1)	*	*	8.2	(9.1)	*
Alternatives and Solutions	8.5	7.0	0.8	21 %	*	25.8	13.9	86 %
Long-Term Net Flows	7.3	(1.2)	(6.8)	*	*	$ 13.7	$ (8.1)	*
Liquidity and Overlay Services	9.3	1.3	5.7	*	63 %	(2.3)	29.3	*
Total Net Flows	$ 16.6	$ 0.1	$ (1.1)	*	*	$ 11.4	$ 21.2	(46 %)
Assets Under Management or Supervision by Asset Class								
Equity	$ 316	$ 301	$ 272	5 %	16 %			
Fixed Income	188	176	163	7 %	15 %			
Alternatives and Solutions	591	558	472	6 %	25 %			
Long-Term Assets Under Management or Supervision	1,095	1,035	907	6 %	21 %			
Liquidity and Overlay Services	503	483	481	4 %	5 %			
Total Assets Under Management or Supervision	$ 1,598	$ 1,518	$ 1,388	5 %	15 %			

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Consolidated Loans and Lending Commitments

(unaudited, dollars in billions)

	Quarter Ended			Percentage Change From:	
	Sep 30, 2024	Jun 30, 2024	Sep 30, 2023	Jun 30, 2024	Sep 30, 2023
Institutional Securities					
Loans:					
Corporate	$ 15.2	$ 17.7	$ 18.0	(14 %)	(16 %)
Secured lending facilities	49.2	48.3	41.8	2 %	18 %
Commercial and residential real estate	11.8	12.6	11.4	(6 %)	4 %
Securities-based lending and other	7.8	7.7	7.4	1 %	5 %
Total Loans	84.0	86.3	78.6	(3 %)	7 %
Lending Commitments	151.9	141.1	128.7	8 %	18 %
Institutional Securities Loans and Lending Commitments	$ 235.9	$ 227.4	$ 207.3	4 %	14 %

	Sep 30, 2024	Jun 30, 2024	Sep 30, 2023	Jun 30, 2024	Sep 30, 2023
Wealth Management					
Loans:					
Securities-based lending and other	$ 90.4	$ 87.8	$ 87.0	3 %	4 %
Residential real estate	64.9	63.1	58.9	3 %	10 %
Total Loans	155.3	150.9	145.9	3 %	6 %
Lending Commitments	18.4	19.0	19.1	(3 %)	(4 %)
Wealth Management Loans and Lending Commitments	$ 173.7	$ 169.9	$ 165.0	2 %	5 %
Consolidated Loans and Lending Commitments (1)	$ 409.6	$ 397.3	$ 372.3	3 %	10 %

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Consolidated Loans and Lending Commitments
Allowance for Credit Losses (ACL) as of September 30, 2024
(unaudited, dollars in millions)

	Loans and Lending Commitments *(Gross)*	ACL [1]	ACL %	Q3 Provision
Loans:				
Held For Investment (HFI)				
Corporate	$ 6,304	$ 227	3.6 %	$ 23
Secured lending facilities	45,728	130	0.3 %	(14)
Commercial and residential real estate	8,688	411	4.7 %	(2)
Other	2,819	14	0.5 %	—
Institutional Securities - HFI	$ 63,539	$ 782	1.2 %	$ 7
Wealth Management - HFI	155,573	322	0.2 %	11
Held For Investment	$ 219,112	$ 1,104	0.5 %	$ 18
Held For Sale	12,862			
Fair Value	8,383			
Total Loans	240,357	1,104		18
Lending Commitments	170,301	619	0.4 %	61
Consolidated Loans and Lending Commitments	$ 410,658	$ 1,723		$ 79

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 September 30, 2024, June 30, 2024 and September 30, 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.

<u>Page 7:</u>

(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, excluding the effect of related hedging derivatives. The period end cost of deposits is based upon balances and rates as of September 30, 2024, June 30, 2024 and September 30, 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.

<u>Page 8:</u>

(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.

<u>Page 9:</u>

(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.

<u>Page 10 and 11:</u>

(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:

	3Q24	2Q24	3Q23	3Q24 YTD	3Q23 YTD
Net revenues	$ 15,383	$ 15,019	$ 13,273	45,538	41,247
Adjustment for mark-to-market on DCP	(239)	54	202	(372)	(65)
Adjusted Net revenues - non-GAAP	$ 15,144	$ 15,073	$ 13,475	$ 45,166	$ 41,182
Compensation expense	$ 6,733	$ 6,460	$ 5,935	$ 19,889	$ 18,607
Adjustment for mark-to-market on DCP	(276)	(55)	57	(580)	(314)
Adjusted Compensation expense - non-GAAP	$ 6,457	$ 6,405	$ 5,992	$ 19,309	$ 18,293

- 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:

	3Q24	2Q24	3Q23	3Q24 YTD	3Q23 YTD
Compensation and benefits	$ 6,733	$ 6,460	$ 5,935	$ 19,889	$ 18,607
Non-compensation expenses:					
Brokerage, clearing and exchange fees	1,044	995	855	2,960	2,611
Information processing and communications	1,042	1,011	947	3,029	2,788
Professional services	711	753	759	2,103	2,236
Occupancy and equipment	473	464	456	1,378	1,367
Marketing and business development	224	245	191	686	674
Other	856	941	851	2,654	2,718
Total non-compensation expenses	4,350	4,409	4,059	12,810	12,394
Total non-interest expenses	$ 11,083	$ 10,869	$ 9,994	$ 32,699	$ 31,001

(a) For the quarter and nine months ended September 30, 2023, Firm results include severance costs of $15 million and $323 million, respectively, associated with employee actions. The severance costs were reported in the business segments' results as follows: Institutional Securities: 3Q23: $10 million, 3Q23 YTD: $217 million; Wealth Management: 3Q23: $2 million, 3Q23 YTD: $80 million; Investment Management: 3Q23: $3 million, 3Q23 YTD: $26 million.

(b) For the quarter and nine months ended September 30, 2023, Firm results include pre-tax integration-related expenses of $68 million and $244 million, respectively. The pre-tax integration-related expenses were reported in the business segments' results as follows: Wealth Management: 3Q23: $43 million, 3Q23 YTD: $171 million; Investment Management: 3Q23: $25 million, 3Q23 YTD: $73 million.

Page 3:

(1) Includes loans held for investment (net of allowance), loans held for sale and also includes loans at fair value which are included in Trading assets on the balance sheet.

(2) As of September 30, 2024, June 30, 2024 and September 30, 2023, the U.S. Bank investment securities portfolio included held to maturity investment securities of $48.8 billion, $50.2 billion and $54.0 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: 3Q24: $482mm; 2Q24: $482mm; 3Q23: $471mm; 3Q24 YTD: $482mm; 3Q23 YTD: $471mm.

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:

	3Q24	2Q24	3Q23	3Q24 YTD	3Q23 YTD
Net revenues	$ 7,270	$ 6,792	$ 6,404	$ 20,942	$ 19,623
Adjustment for mark-to-market on DCP	(170)	45	143	(265)	(40)
Adjusted Net revenues - non-GAAP	$ 7,100	$ 6,837	$ 6,547	$ 20,677	$ 19,583
Compensation expense	$ 3,868	$ 3,601	$ 3,352	$ 11,257	$ 10,332
Adjustment for mark-to-market on DCP	(184)	(33)	48	(373)	(178)
Adjusted Compensation expense - non-GAAP	$ 3,684	$ 3,568	$ 3,400	$ 10,884	$ 10,154

(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: 3Q24: $13,582mm; 2Q24: $13,582mm; 3Q23: $14,075mm; 3Q24 YTD: $13,582mm; 3Q23 YTD: $14,075mm.

Supplemental Quantitative Details and Calculations

Page 7:

(1) Wealth Management other lending included $2 billion of non-purpose securities based lending on non-bank entities in each period ended September 30, 2024, June 30, 2024 and September 30, 2023.

(2) For the quarters ended September 30, 2024, June 30, 2024 and September 30, 2023, Wealth Management deposits of $358 billion, $343 billion and $340 billion, respectively. Total deposits details are as follows:

	3Q24	2Q24	3Q23
Brokerage sweep deposits	$ 131	$ 129	$ 143
Other deposits	227	214	197
Total deposits	$ 358	$ 343	$ 340

Page 8:

(1) Investment Management average tangible common equity represents average common equity adjusted to exclude goodwill and intangible assets net of allowable mortgage servicing rights deduction. The adjustments are as follows: 3Q24: $9,676mm; 2Q24: $9,676mm; 3Q23: $9,687mm; 3Q24 YTD: $9,676mm; 3Q23 YTD: $9,687mm.

Page 10:

(1) For the quarters ended September 30, 2024, June 30, 2024 and September 30, 2023, Investment Management reflected loan balances of $507 million, $481 million and $431 million, respectively.

Page 11:

(1) For the quarter ended September 30, 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 - June 30, 2024	$ 865	$ 310	$ 1,175
Net Charge Offs	(100)	2	(98)
Provision	7	11	18
Other	10	(1)	9
Ending Balance - September 30, 2024	$ 782	$ 322	$ 1,104
Lending Commitments			
Allowance for Credit Losses (ACL)			
Beginning Balance - June 30, 2024	$ 538	$ 17	$ 555
Net Charge Offs	—	—	—
Provision	61	—	61
Other	3	—	3
Ending Balance - September 30, 2024	$ 602	$ 17	$ 619
Loans and Lending Commitments			
Allowance for Credit Losses (ACL)			
Beginning Balance - June 30, 2024	$ 1,403	$ 327	$ 1,730
Net Charge Offs	(100)	2	(98)
Provision	68	11	79
Other	13	(1)	12
Ending Balance - September 30, 2024	$ 1,384	$ 339	$ 1,723

Legal Notice

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

End of Document