Morgan Stanley

Morgan Stanley
Fixed Income Investor Presentation

As of March 5, 2024

Notice

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

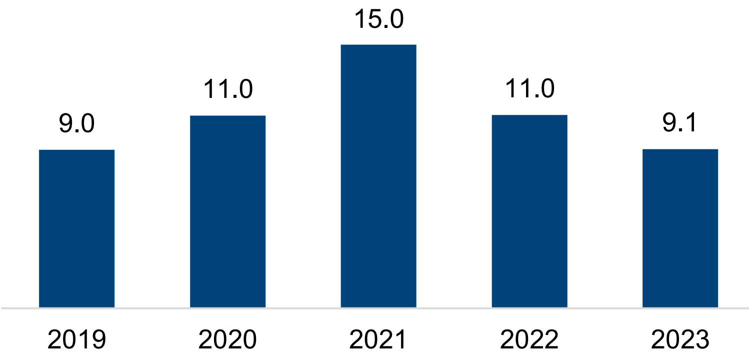
This presentation may contain forward-looking statements including the attainment of certain financial and other targets, objectives and goals. You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they are made, which reflect management's 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 document is not an offer to buy or sell any security.

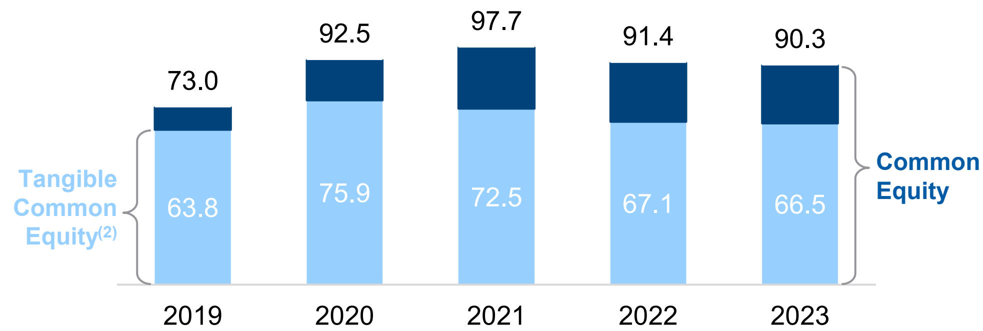
The End Notes are an integral part of this presentation. See slides 9 and 10 for information related to the financial metrics and defined terms in this presentation.

Strong Capital Position

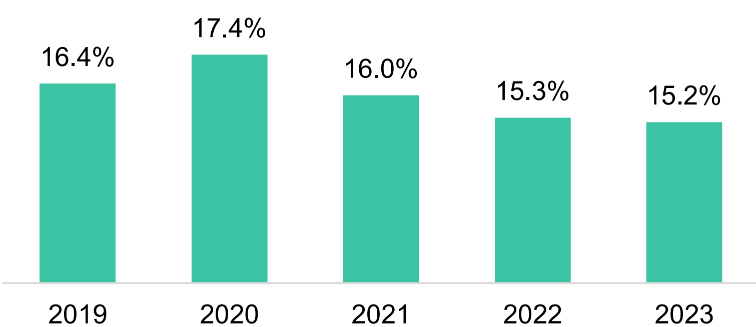
Net Income[1] ($Bn)



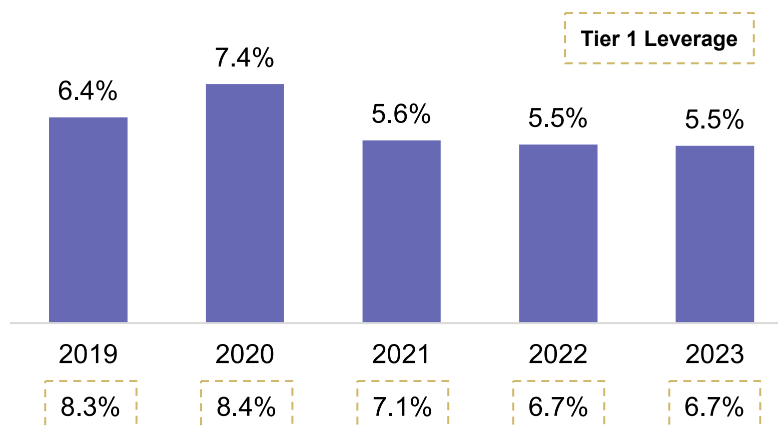
Common Equity ($Bn)



Standardized Common Equity Tier 1 Ratio (%)[3]



Supplementary Leverage Ratio (%)[3][4]



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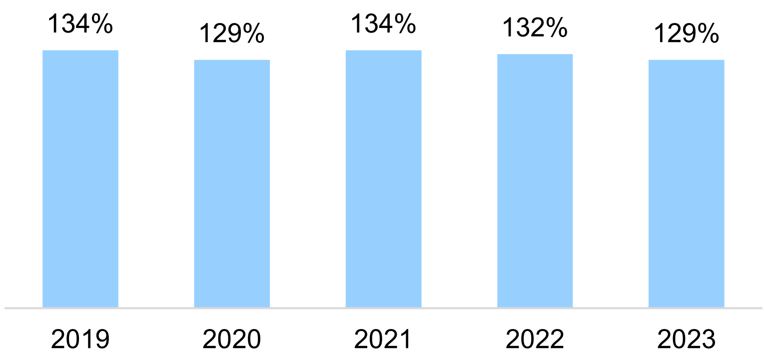
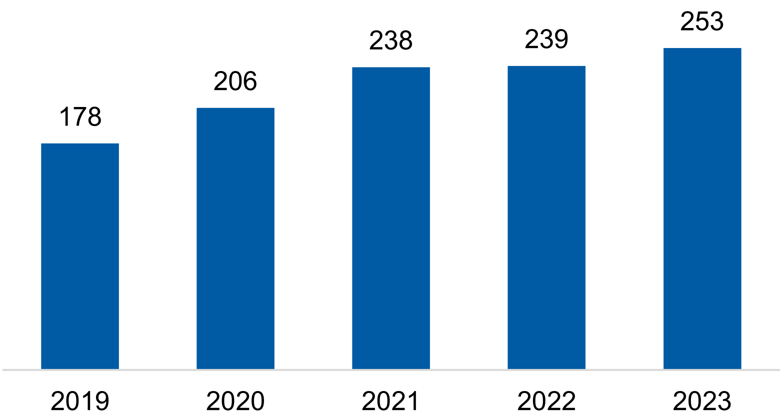
Strong Liquidity Position

Liquidity Coverage Ratio[1] (%)



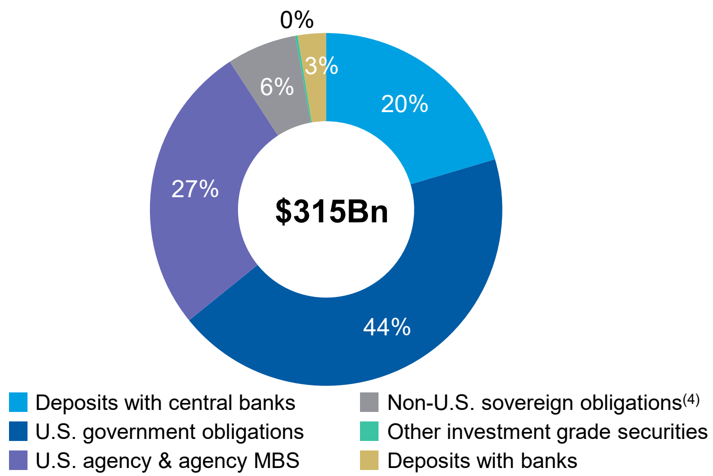
Average Eligible High Quality Liquid Assets[2] ($Bn)



Average Total Liquidity Resources[3] ($Bn)

Liquidity Resources Composition[3] (%)

Average Daily Balance for three months ended 12/31/23



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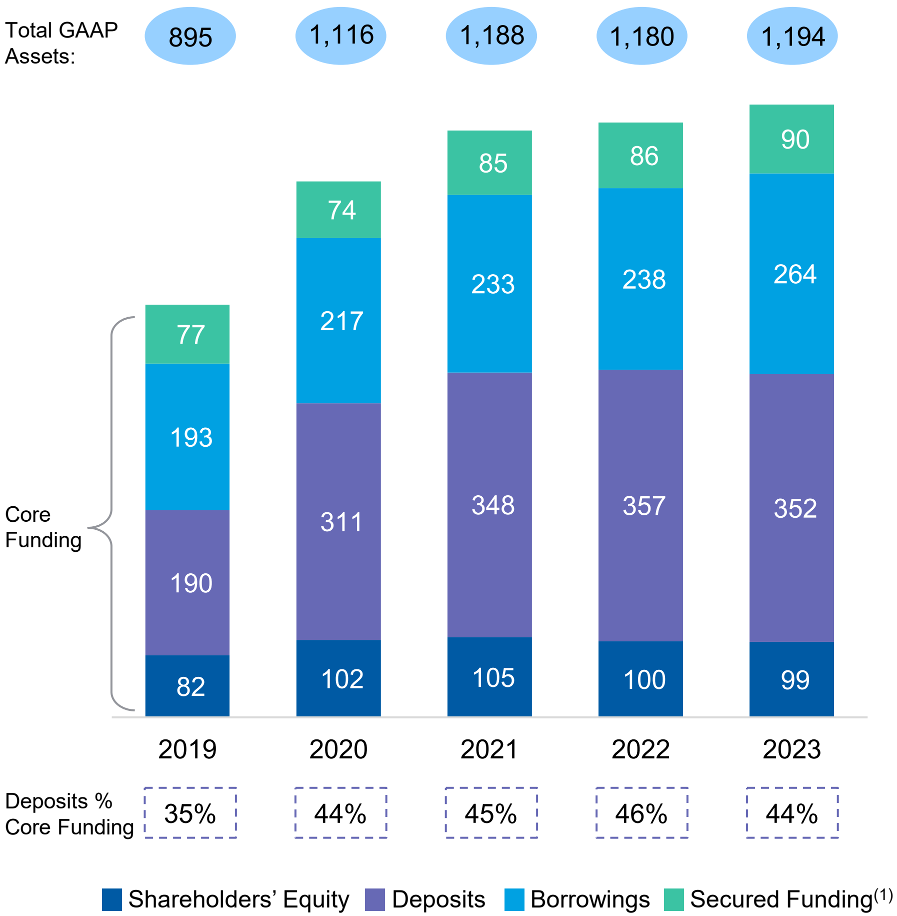
Diversified and Durable Funding Mix

Morgan Stanley Core Funding
($Bn)



Core Funding Overview

Shareholders' Equity

- Strong capital base
- Common stock supplemented by $8.8Bn of preferred stock

Deposits

- Primarily sourced from Wealth Management clients

Borrowings

- Debt issuance diversified across tenors, currencies, distribution channels and structure
- Provides durability and flexibility to balance sheet
- Weighted average maturity: 6.6 years[2]

Secured Funding

- Well established governance framework promotes funding parameters consistent with asset profile

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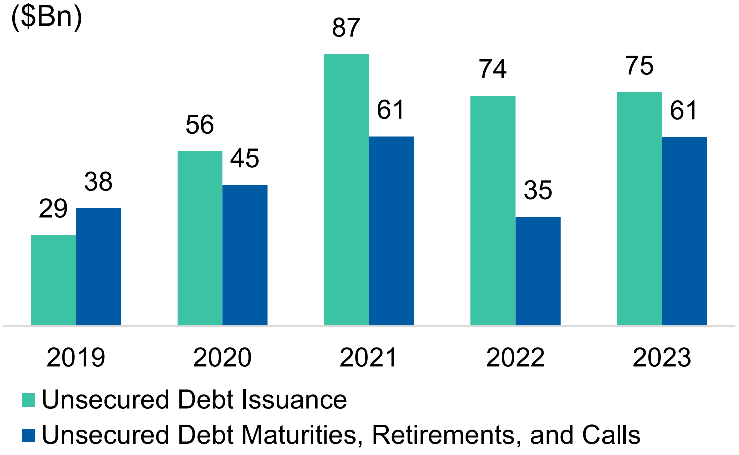
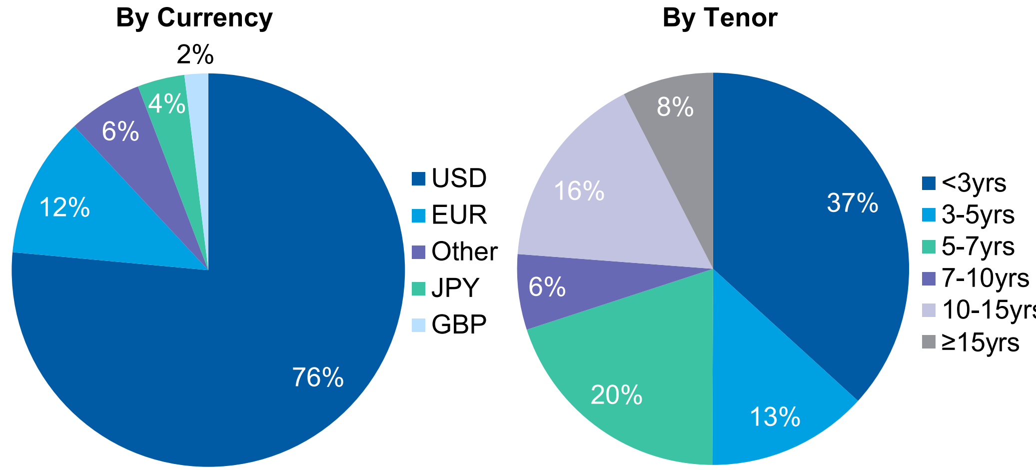
Unsecured Borrowings: Diversified and Durable Funding Structure

Unsecured Debt Issuance and Maturities[1]

($Bn)

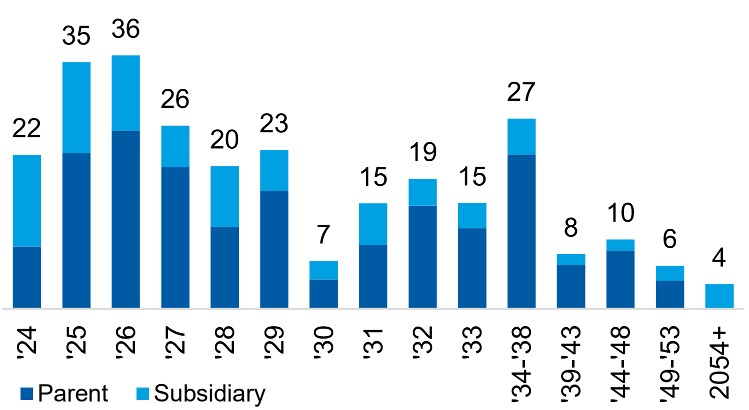


2019-2023 Unsecured Debt Issuance (%)



Unsecured Debt Maturity Profile[2]

As of 4Q23 | ($Bn)



Total Loss-Absorbing Capacity (TLAC)

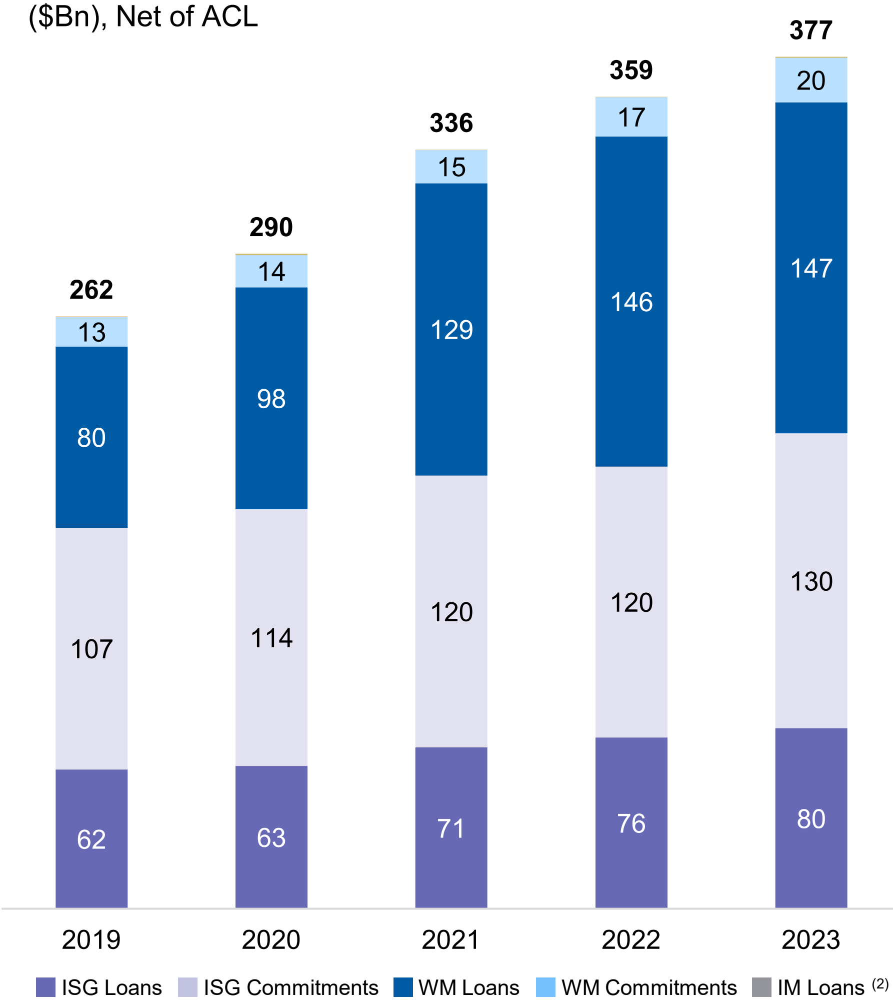
As of 4Q23 | ($Bn)

	Required Ratio[3]	Actual Ratio
External TLAC as % of RWA[4]	21.5%	55.0%
External TLAC as a % of leverage exposure[4]	9.5%	17.6%
Eligible LTD as a % of RWA[5]	9.0%	35.6%
Eligible LTD as a % of leverage exposure[5]	4.5%	11.4%

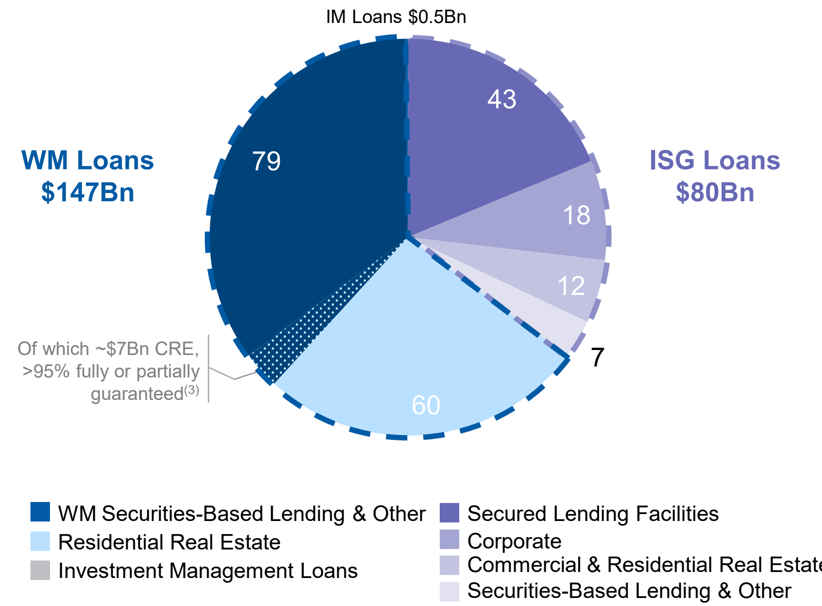
The End Notes are an integral part of this presentation. See slides 9 and 10 for information related to the financial metrics in this presentation.

High Quality Lending Portfolio with Disciplined Growth

Total Loans and Lending Commitments[1]
($Bn), Net of ACL



Total Loans, net of ACL[1]
($Bn), As of December 31, 2023



2023 Net Charge-offs[4]	**0.08%**
4Q23 Nonaccrual Loans[5]	**0.4%**
4Q23 Allowance for Credit Losses[6]	**0.6%**

The End Notes are an integral part of this presentation. See slides 9 and 10 for information related to the financial metrics in this presentation.

Credit Ratings

As of March 5, 2024

	Moody's	S&P	Fitch
Morgan Stanley			
Outlook	Stable	Stable	Stable
Long-Term	A1	A-	A+
Short-Term	P-1	A-2	F1
Subordinated Debt	Baa1	BBB+	A-
Preferred Stock	Baa3	BBB-	BBB
Morgan Stanley Bank, N.A.			
Outlook	Stable	Stable	Stable
Long-Term	Aa3	A+	AA-
Morgan Stanley Private Bank, N.A.			
Outlook	Stable	Stable	Not Rated
Long-Term	Aa3	A+	

The End Notes are an integral part of this presentation. See slides 9 and 10 for information related to the financial metrics in this presentation.

End Notes

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

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

Morgan Stanley closed its acquisition of E*TRADE on October 2, 2020, impacting annual comparisons for the Firm and Wealth Management, and closed its acquisition of Eaton Vance on March 1, 2021, impacting annual and period comparisons for the Firm and Investment Management.

End Notes (Continued)

These notes refer to the financial metrics presented on slide 3.

1. Net Income Applicable to Morgan Stanley.
2. Tangible Common Equity ('TCE') equals common equity less goodwill and intangible assets net of allowable mortgage servicing rights. TCE is a non-GAAP financial measure that the Firm considers useful for analysts, investors and other stakeholders to assess capital adequacy.
3. For further information, refer to 'Regulatory Requirements' on pages 133-136 in the Firm's Annual Report on Form 10-K for the period ended December 31, 2023.
4. At December 31, 2020, our SLR reflects the impact of a Federal Reserve interim final rule that was in effect until March 31, 2021. For further information, see "Liquidity and Capital Resources—Regulatory Requirements" on Form 10-K for the period ended December 31, 2023.

These notes refer to the financial metrics presented on slide 4.

1. Represents average daily balance for the three months ended December 31, 2023. The Firm's U.S. LCR calculations are based on our current understanding of the U.S. LCR and other factors, which may be subject to change as the Firm receives additional clarification and implementation guidance from regulators relating to the U.S. LCR, and as the interpretation of the U.S. LCR evolves over time.
2. Represents average daily balance for the three months ended December 31, 2023. Under the LCR rule, Eligible HQLA is calculated using weightings and excluding certain HQLA held in subsidiaries.
3. Represents average daily balance for the three months ended December 31, 2023. In the first quarter of 2020, the Firm changed its internal measure of liquidity from the Global Liquidity Reserve to Liquidity Resources, which is more closely aligned with the regulatory definition of HQLA. Daily average balances for 2019-2023 represent the Firm's new internal Liquidity Resources measure.
4. Primarily composed of unencumbered French, Japanese, U.K., German, and Spanish government obligations.

These notes refer to the financial metrics presented on slide 5.

1. Secured funding equals securities sold under agreements to repurchase, securities loaned and other secured financings.
2. Weighted average maturity only includes borrowings with original maturities greater than one year.

These notes refer to the financial metrics presented on slide 6.

1. Unsecured Debt includes senior unsecured debt, subordinated debt and structured notes.
2. Unsecured Debt balances represent current notional values.
3. Required ratios are inclusive of applicable buffers.
4. External TLAC consists of Common Equity Tier 1 capital and Additional Tier 1 capital (each excluding any noncontrolling minority interests), as well as eligible LTD.
5. Consists of TLAC-eligible LTD reduced by 50% for amounts of unpaid principal due to be paid in more than one year but less than two years from the balance sheet date.

These notes refer to the financial metrics presented on slide 7.

1. Includes loans held for investment net of ACL, loans held for sale and fair value loans.
2. IM Loans for years ending 2019, 2020, 2021, 2022, and 2023 were $0.28Bn, $0.44Bn, $0.14Bn, $0.22Bn, and $0.46Bn, respectively.
3. As of December 31, 2023, loans against commercial real estate properties totaled $6.9 billion, net of ACL, within the Wealth Management business and are included within Securities-based lending and Other. At both December 31, 2023, and December 31, 2022, greater than 95% of the commercial real estate loans balance in the Wealth Management business segment benefited from full or partial guarantees from high or ultra-high net worth clients.
4. Represents gross charge-offs net of recoveries divided by total average loans held for investment before ACL for the twelve months ended December 31, 2023.
5. Represents total nonaccrual loans held for investment, which are loans that are 90 days or more past due, as a percentage of total held for investment loans as of December 31, 2023.
6. Allowance for credit losses for loans to total loans held for investment for the period ending December 31, 2023.

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