

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.

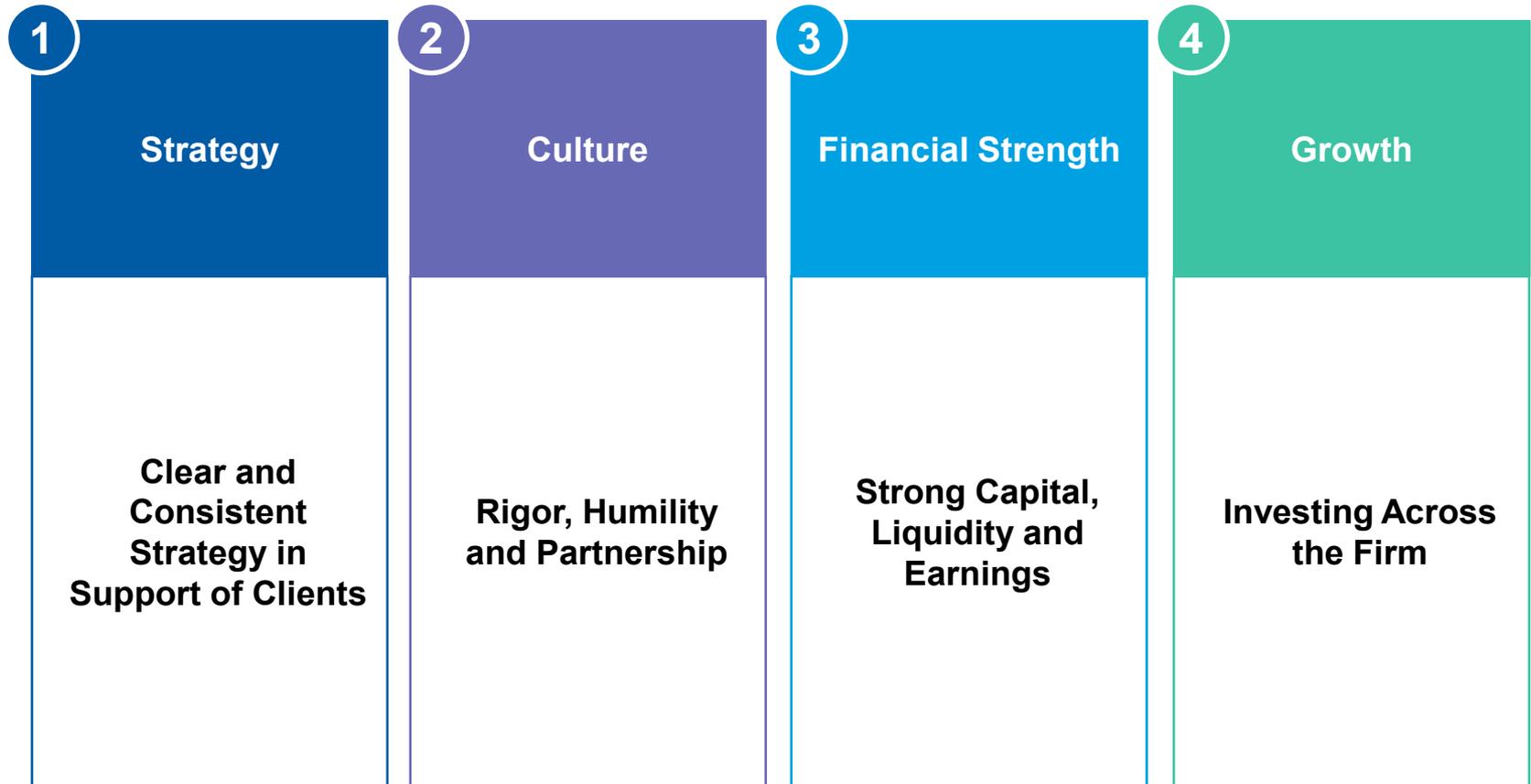
This presentation may contain forward-looking statements including the attainment of certain financial and other targets, and objectives and goals. You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they are made, which reflect management's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

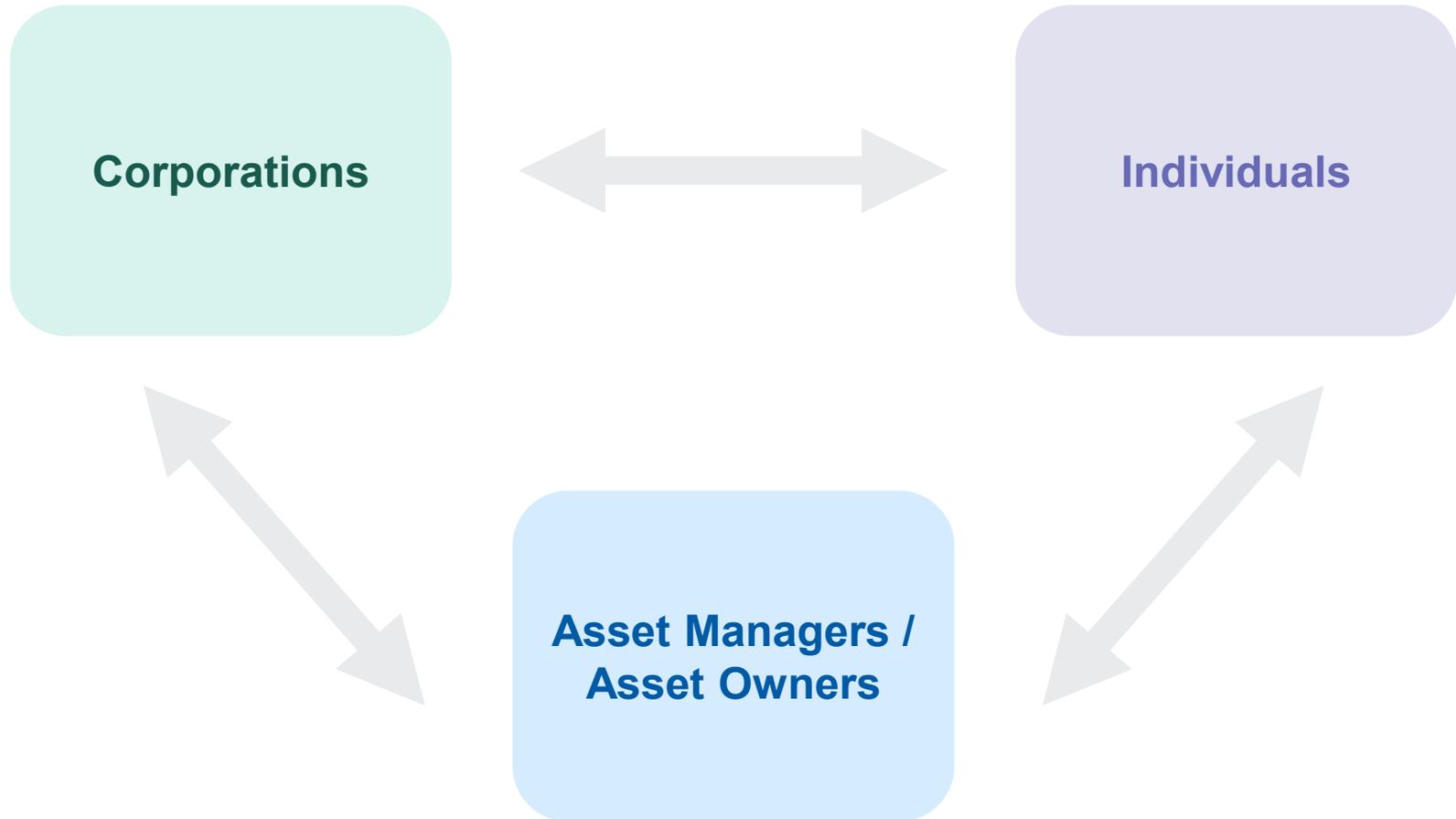
For information and impact of the Company's acquisitions, please refer to prior period filings of the Company's Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q.

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

Four Pillars of Morgan Stanley: The Integrated Firm



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



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

~22 Years

Firm Management Committee

~23 Years

Managing Directors

~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

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

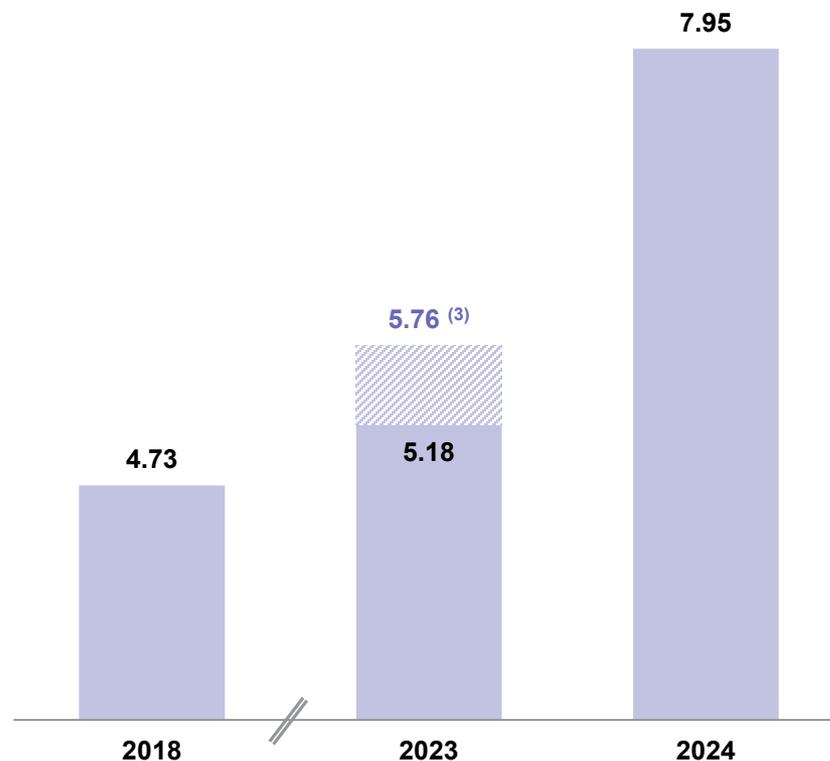
Consistently Strong Capital Position with Dividend Growth

Common Equity Tier 1 Ratio (%) ⁽¹⁾



Step-Change in Earnings Growth

EPS (\$)



■ Regulatory Requirement Including Buffers
 ● 4Q Dividend Per Share (\$) ⁽²⁾

▨ 2023 Adjusted EPS

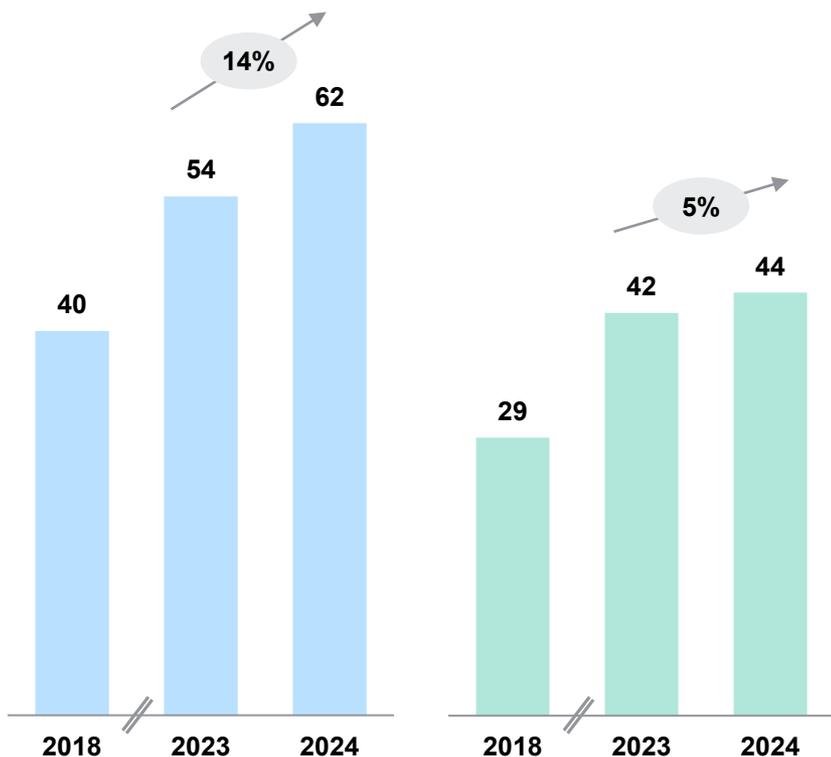
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4 Revenues and Earnings Growth Reflects Returns on Investments for Growth and Operating Leverage

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

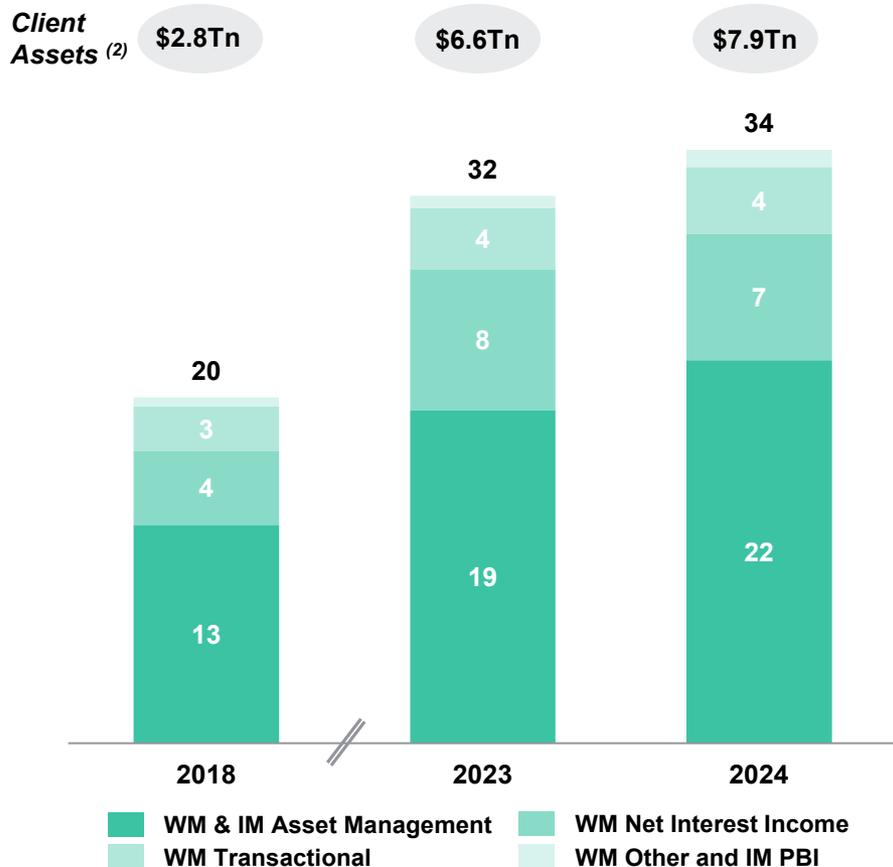
Infrastructure to Support Growth

The Integrated Firm

4 Revenue Growth Resulting from Asset and Share Growth

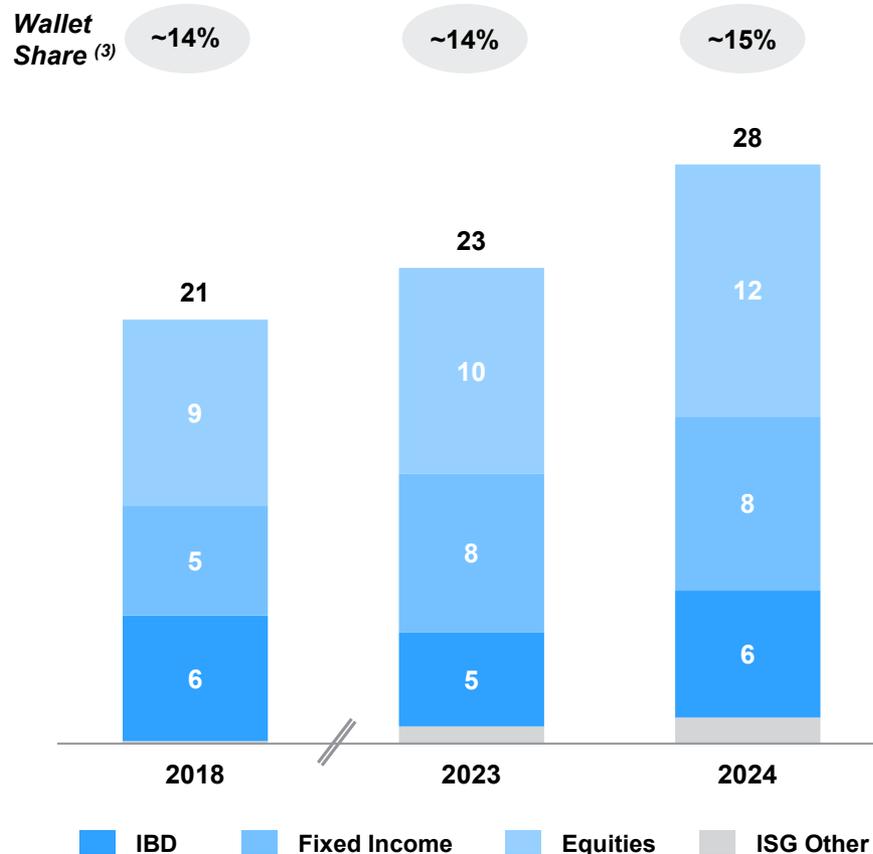
Industry Leader Across Wealth & Investment Management

Wealth & Investment Management Net Revenues (\$Bn) ⁽¹⁾



Strength Across Institutional Securities Businesses

Institutional Securities Net Revenues (\$Bn)

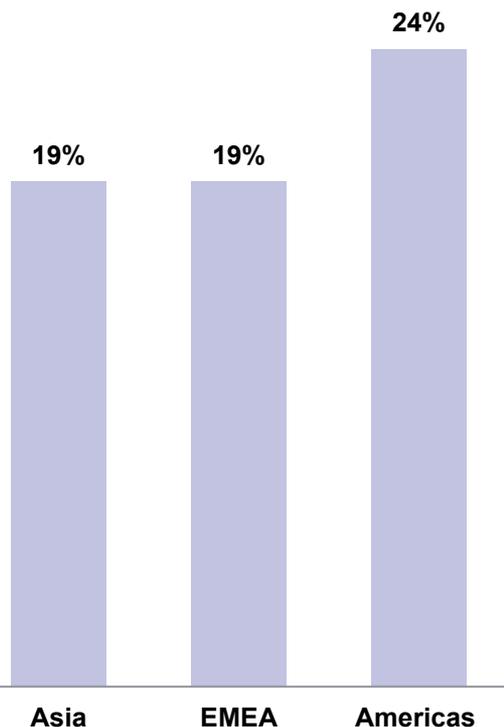


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4 In Institutional Securities, Global Footprint and Prudent Capital Management Support Operating Leverage

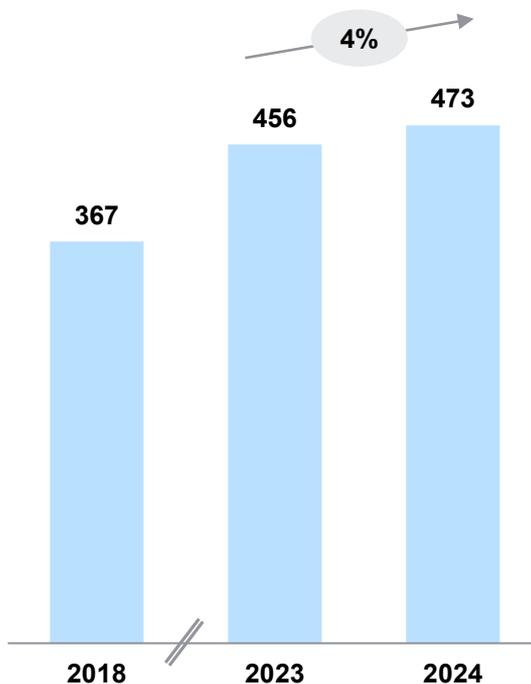
Growth with Global Footprint

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

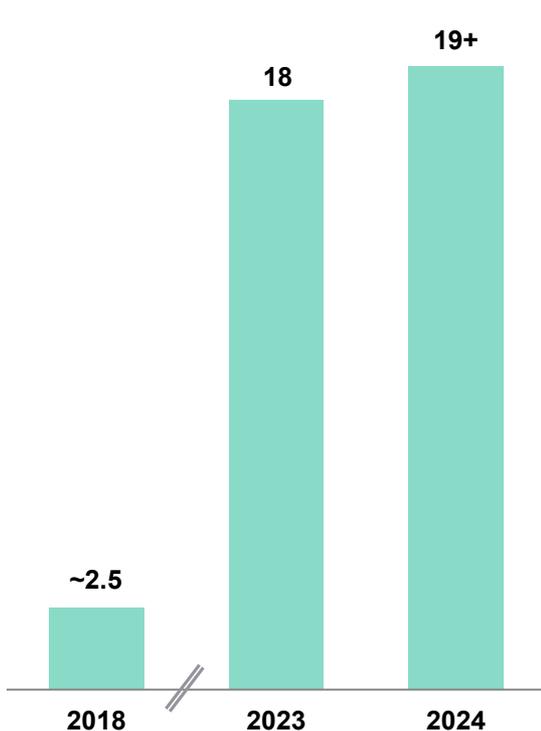
31%

2024 ISG Pre-Tax Margin

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

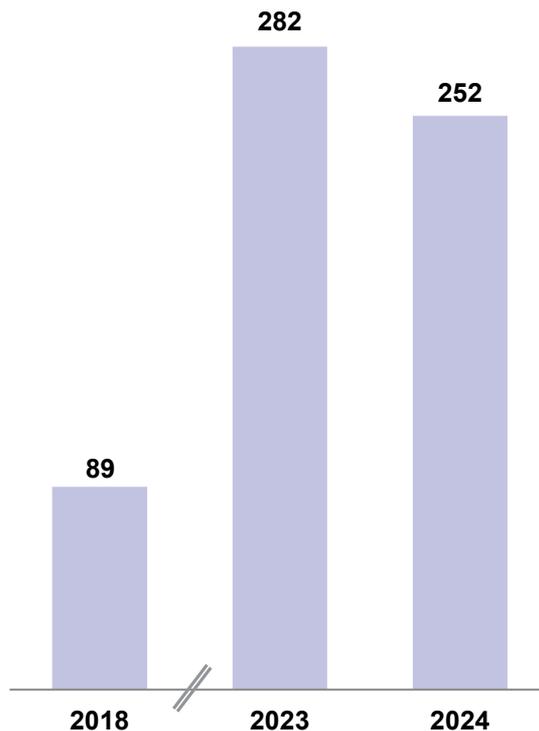
Reaching More Relationships

Core Client Relationships (MM) ⁽¹⁾



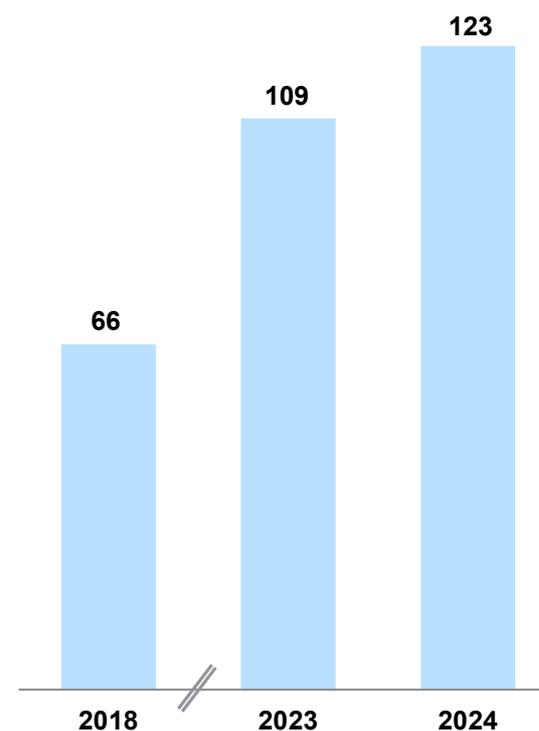
Expanding Net New Assets

Net New Assets (\$Bn) ⁽²⁾



With Momentum in Driving Fee-Based Flows

Fee-Based Flows (\$Bn) ⁽³⁾



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

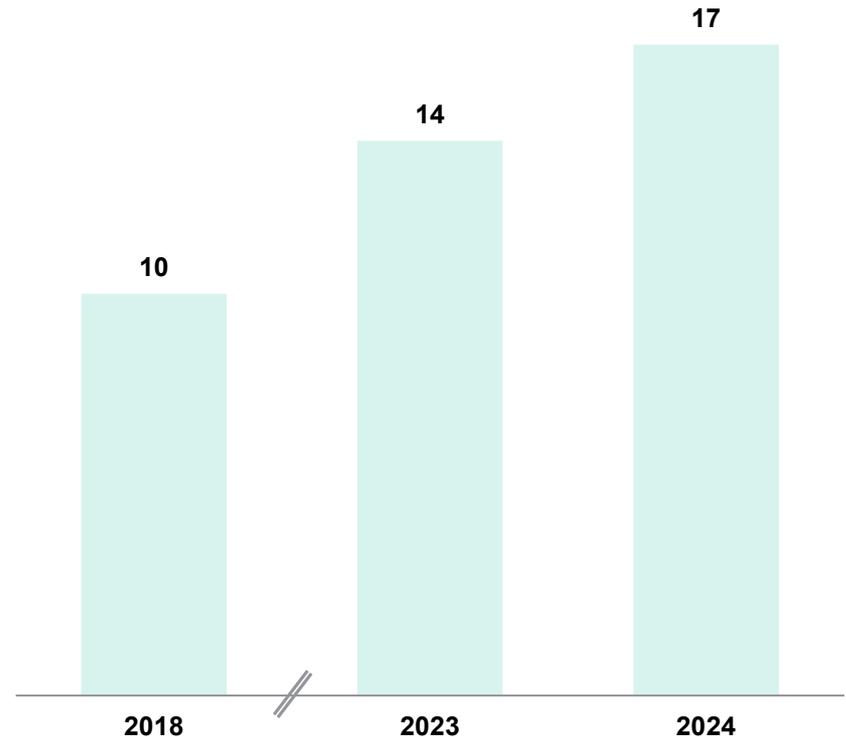
Average
Duration of
~2-10 Years

~60%
Advisor-Led
Assets

Average
Duration of
~21 Years

Supporting Expansion of Fee-Based Revenues

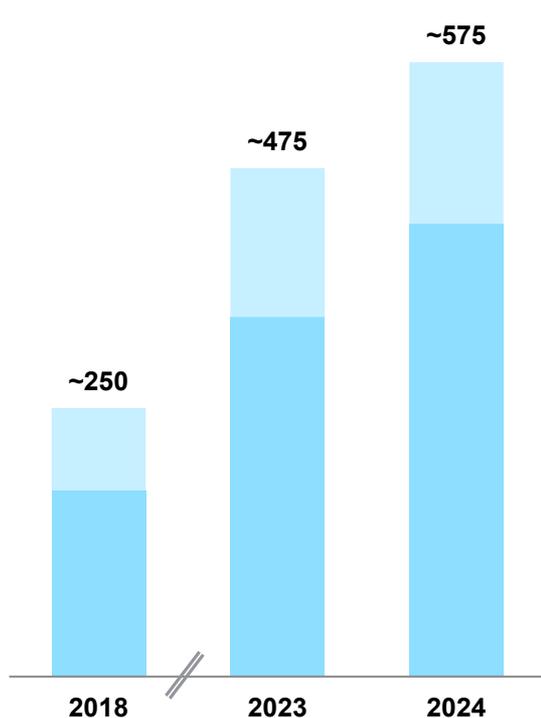
WM Asset Management Revenues (\$Bn)



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

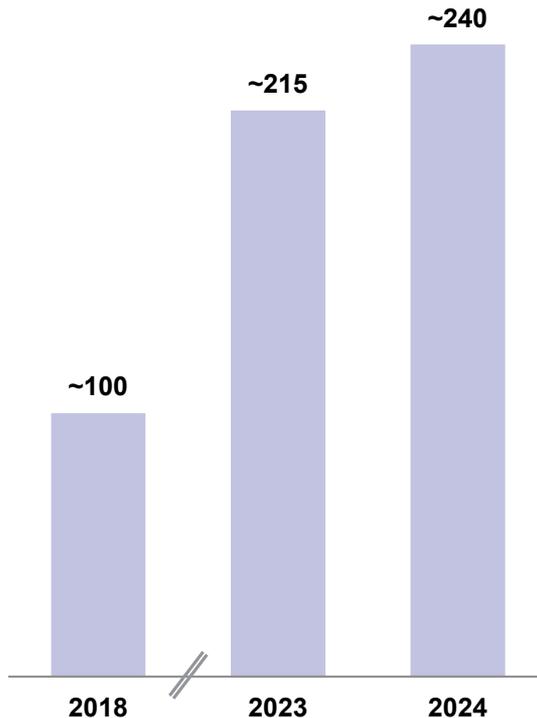
Parametric Leading with Innovation and Scale

Parametric AuM (\$Bn) ⁽¹⁾



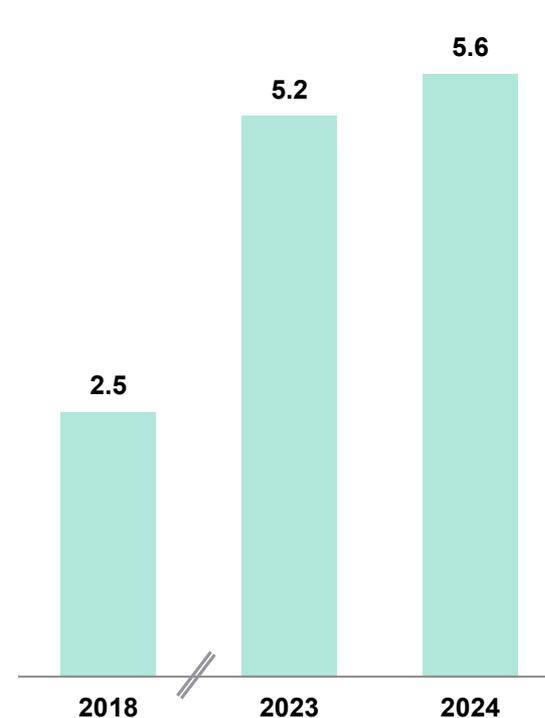
Alternatives Platform Has More Than Doubled

Investable Capital (\$Bn) ⁽²⁾



Growth in Fee-Based Revenues

AM and Related Fees (\$Bn)



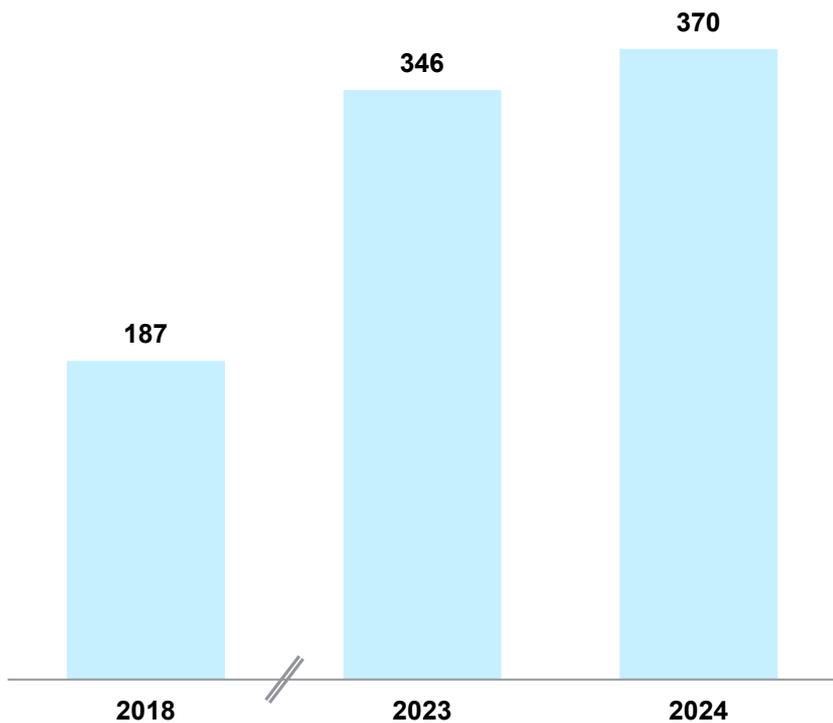
■ Parametric Long-Term
■ Parametric Overlay

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 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

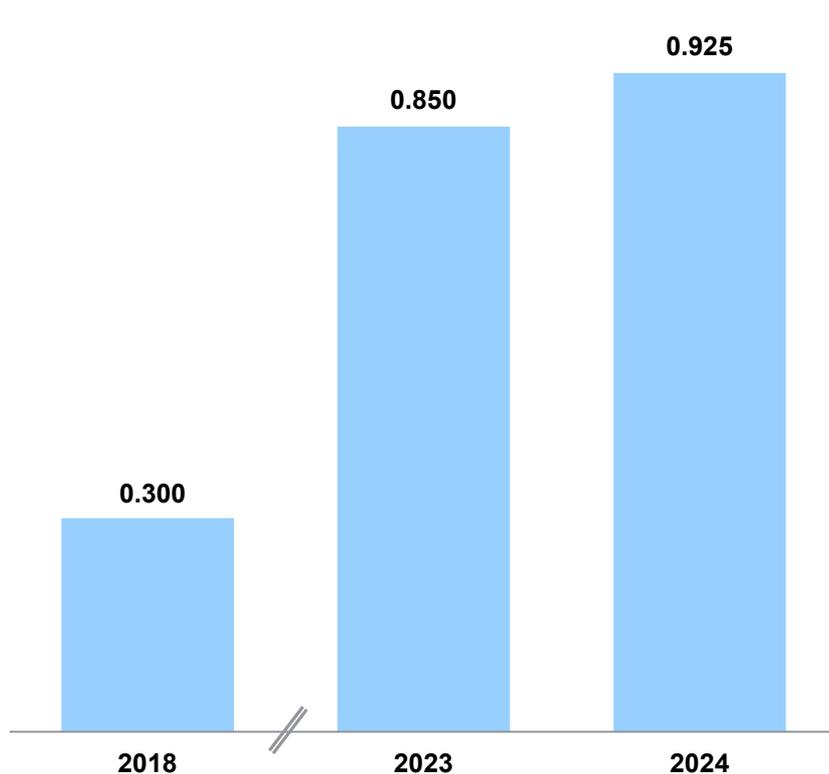
Invest in Marketing
and Technology

Support the Integrated Firm

Clear Commitment to Dividend Reflects Growth in Durable Revenues

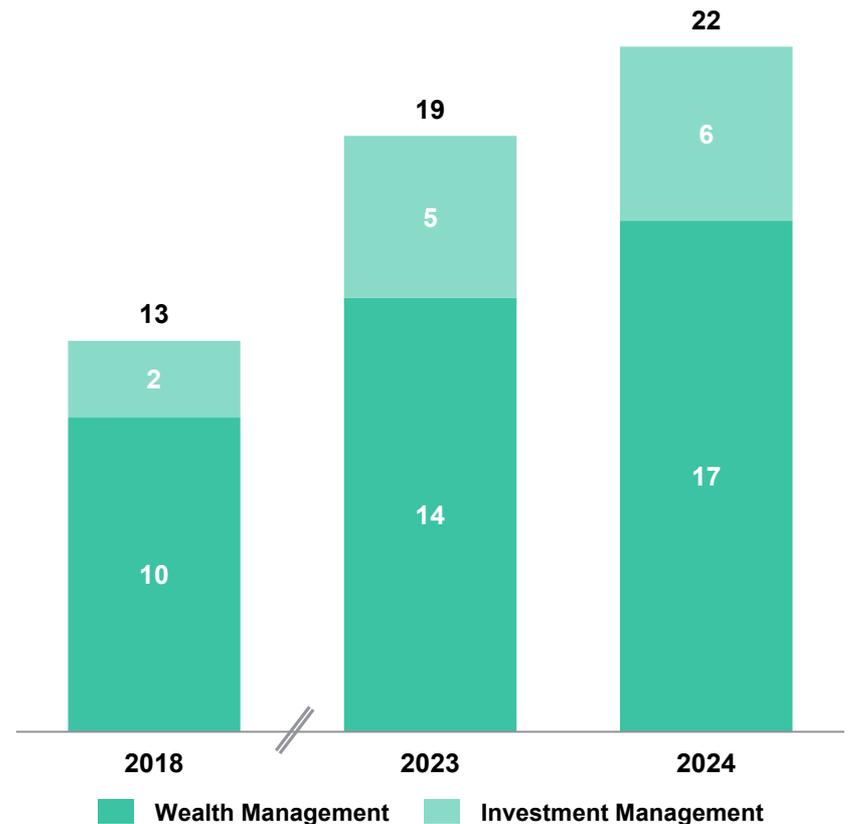
Strong Dividend Growth

4Q Dividend Per Share (\$)



Reflecting Growth in Wealth & Investment Management Fee-based Revenues

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



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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

Collaborative Culture

Focus on Top Firmwide Clients

Selected Client Data Integrated

**Stable and Strong Risk Management
and Infrastructure**

Future Path: Top Down at Scale

**Integrated Firm Organization
and Executive Leadership**

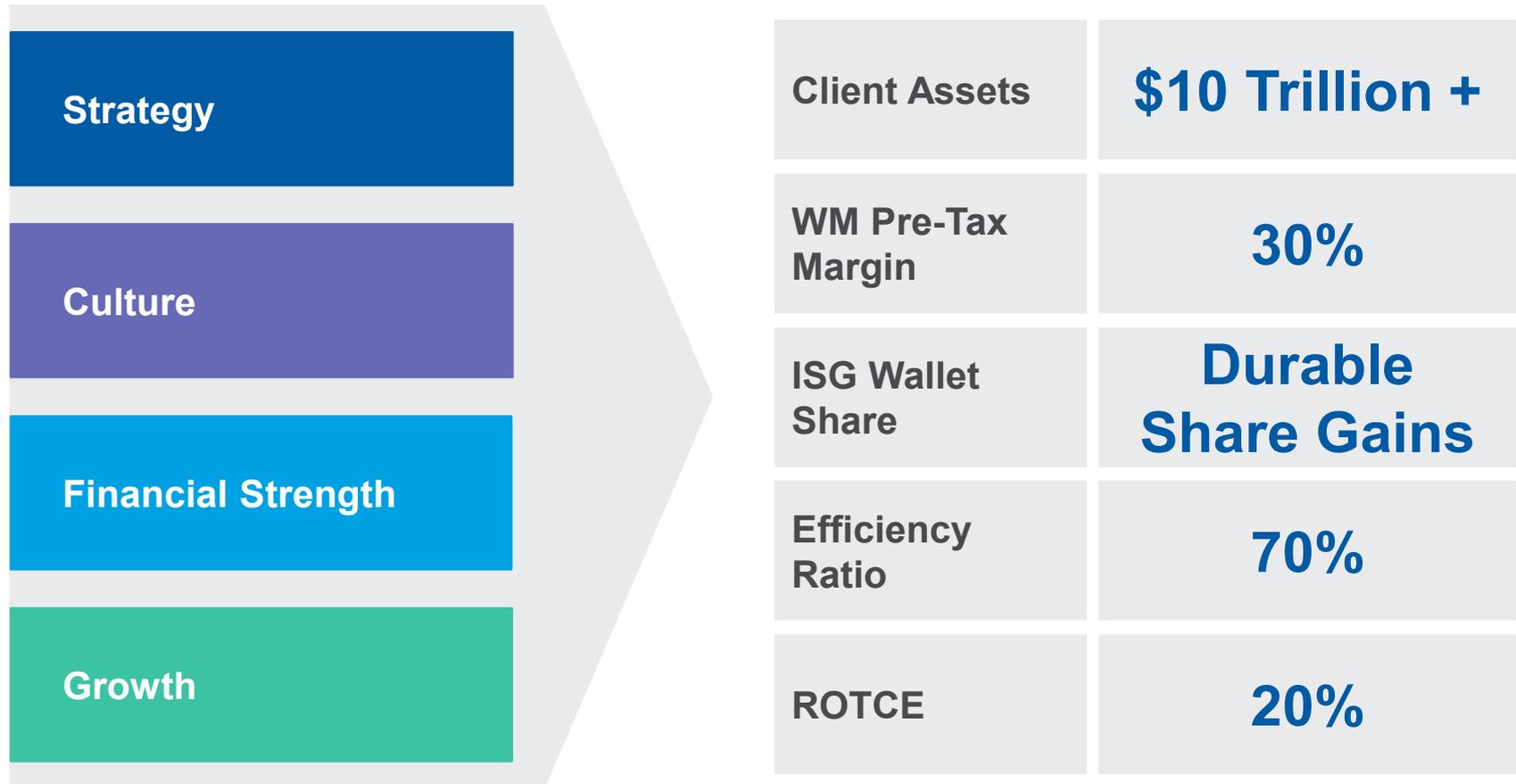
Proactive Coverage at Scale

Integrated Firmwide Client Data Platform

**Scaled Risk Management and
Infrastructure on Pace with Growth**

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

Firmwide Goals ⁽¹⁾



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

- 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.
- 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

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

- 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

- 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.
- 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

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

- 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 Client 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.
- 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.
- 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

Fourth Quarter 2024 Earnings Results

Quarterly Financial Supplement

Page

Consolidated Financial Summary	1
Consolidated Financial Metrics, Ratios and Statistical Data	2
Consolidated and U.S. Bank Supplemental Financial Information	3
Consolidated Average Common Equity and Regulatory Capital Information	4
Institutional Securities Income Statement Information, Financial Metrics and Ratios	5
Wealth Management Income Statement Information, Financial Metrics and Ratios	6
Wealth Management Financial Information and Statistical Data	7
Investment Management Income Statement Information, Financial Metrics and Ratios	8
Investment Management Financial Information and Statistical Data	9
Consolidated Loans and Lending Commitments	10
Consolidated Loans and Lending Commitments Allowance for Credit Losses	11
Definition of U.S. GAAP to Non-GAAP Measures	12
Definitions of Performance Metrics and Terms	13 - 14
Supplemental Quantitative Details and Calculations	15 - 16
Legal Notice	17

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.
- 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:		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%			

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 and U.S. Bank Supplemental Financial Information

(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	
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%

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:		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	
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%

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%		

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.

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					

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

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%)	—%

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Investment Management

Income Statement Information, Financial Metrics and Ratios

(unaudited, dollars in millions)

	Quarter Ended			Percentage Change From:		Twelve Months Ended		Percentage Change
	Dec 31, 2024	Sep 30, 2024	Dec 31, 2023	Sep 30, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023	
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%	

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Investment Management Financial Information and Statistical Data

(unaudited, dollars in billions)

	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	
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	<u>\$ 71.1</u>	<u>\$ 16.6</u>	<u>\$ (13.7)</u>	*	*	<u>\$ 82.5</u>	<u>\$ 7.5</u>	*
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	<u>\$ 1,666</u>	<u>\$ 1,598</u>	<u>\$ 1,459</u>	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	<u>87.1</u>	<u>84.0</u>	<u>79.8</u>	4%	9%
Lending Commitments	156.9	151.9	130.4	3%	20%
Institutional Securities Loans and Lending Commitments	<u>\$ 244.0</u>	<u>\$ 235.9</u>	<u>\$ 210.2</u>	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	<u>159.5</u>	<u>155.3</u>	<u>146.5</u>	3%	9%
Lending Commitments	19.3	18.4	19.6	5%	(2%)
Wealth Management Loans and Lending Commitments	<u>\$ 178.8</u>	<u>\$ 173.7</u>	<u>\$ 166.1</u>	3%	8%
Consolidated Loans and Lending Commitments ⁽¹⁾	<u>\$ 422.8</u>	<u>\$ 409.6</u>	<u>\$ 376.3</u>	3%	12%

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

(unaudited, dollars in millions)

	Loans and Lending Commitments	ACL ⁽¹⁾	ACL %	Q4 Provision
	<i>(Gross)</i>			
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	<u>\$ 7,504</u>	<u>\$ 7,100</u>	<u>\$ 6,403</u>	<u>\$ 28,181</u>	<u>\$ 25,986</u>
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	<u>\$ 3,892</u>	<u>\$ 3,684</u>	<u>\$ 3,406</u>	<u>\$ 14,776</u>	<u>\$ 13,560</u>

(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	<u>\$ 370</u>	<u>\$ 358</u>	<u>\$ 346</u>

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	<u>\$ 730</u>	<u>\$ 336</u>	<u>\$ 1,066</u>
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	<u>\$ 640</u>	<u>\$ 16</u>	<u>\$ 656</u>
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	<u>\$ 1,370</u>	<u>\$ 352</u>	<u>\$ 1,722</u>

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.