

## Morgan Stanley (MS)

**\$178.83** (Stock Price as of 12/09/2025)

Price Target (6-12 Months): **\$203.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

**Outperform**

(Since: 10/21/25)

Prior Recommendation: Neutral

Short Term: 1-3 Months

**Zacks Rank: (1-5)**

**1-Strong Buy**

Zacks Style Scores:

VGM: F

Value: F

Growth: F

Momentum: B

### Summary

Morgan Stanley's shares have outperformed the industry in the past six months. The company's focus on wealth and asset management operations along with its strategic alliances and acquisitions will aid the top line. The deal to buy EquityZen will help it tap the rapidly growing private markets landscape. The performance of the investment banking (IB) business will continue to be driven by a strong pipeline. We project total revenues and IB fees to increase 11.7% and 12.8% in 2025, respectively. However, costs will remain elevated due to expansion efforts. We project total expenses to rise 9.1% in 2025. While trading revenues have been increasing, growth in the same might become challenging in the future because of the volatile nature of the business. Yet, the company's efficient capital distributions reflect a solid balance sheet.

### Data Overview

52 Week High-Low	\$180.65 - \$94.33
20 Day Average Volume (sh)	5,474,983
Market Cap	\$284.2 B
YTD Price Change	42.2%
Beta	1.22
Dividend / Div Yld	\$4.00 / 2.3%
Industry	<a href="#">Financial - Investment Bank</a>
Zacks Industry Rank	Top 7% (17 out of 243)

Last EPS Surprise	34.6%
Last Sales Surprise	10.8%
EPS F1 Est- 4 week change	2.5%
Expected Report Date	01/15/2026
Earnings ESP	-3.0%

P/E TTM	18.3
P/E F1	18.7
PEG F1	2.1
P/S TTM	2.4

### Price, Consensus & Surprise<sup>(1)</sup>



### Sales and EPS Growth Rates (Y/Y %)<sup>(2)</sup>



### Sales Estimates (millions of \$)<sup>(2)</sup>

	Q1	Q2	Q3	Q4	Annual*
2026	17,765 E	17,402 E	17,056 E	16,709 E	68,932 E
2025	17,739 A	16,792 A	18,224 A	16,242 E	68,997 E
2024	15,136 A	15,019 A	15,383 A	16,223 A	61,761 A

### EPS Estimates<sup>(2)</sup>

	Q1	Q2	Q3	Q4	Annual*
2026	2.52 E	2.36 E	2.30 E	2.23 E	9.41 E
2025	2.60 A	2.13 A	2.80 A	2.04 E	9.57 E
2024	2.02 A	1.82 A	1.88 A	2.22 A	7.95 A

\*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 12/09/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/09/2025.

## Overview

Founded in 1935 and incorporated under the laws of the State of Delaware in 1981, Morgan Stanley is the leading financial services holding company headquartered in New York. With 82,398 employees, the company serves a diversified group of clients and customers — including corporations, governments, financial institutions and individuals — through offices across 41 countries.

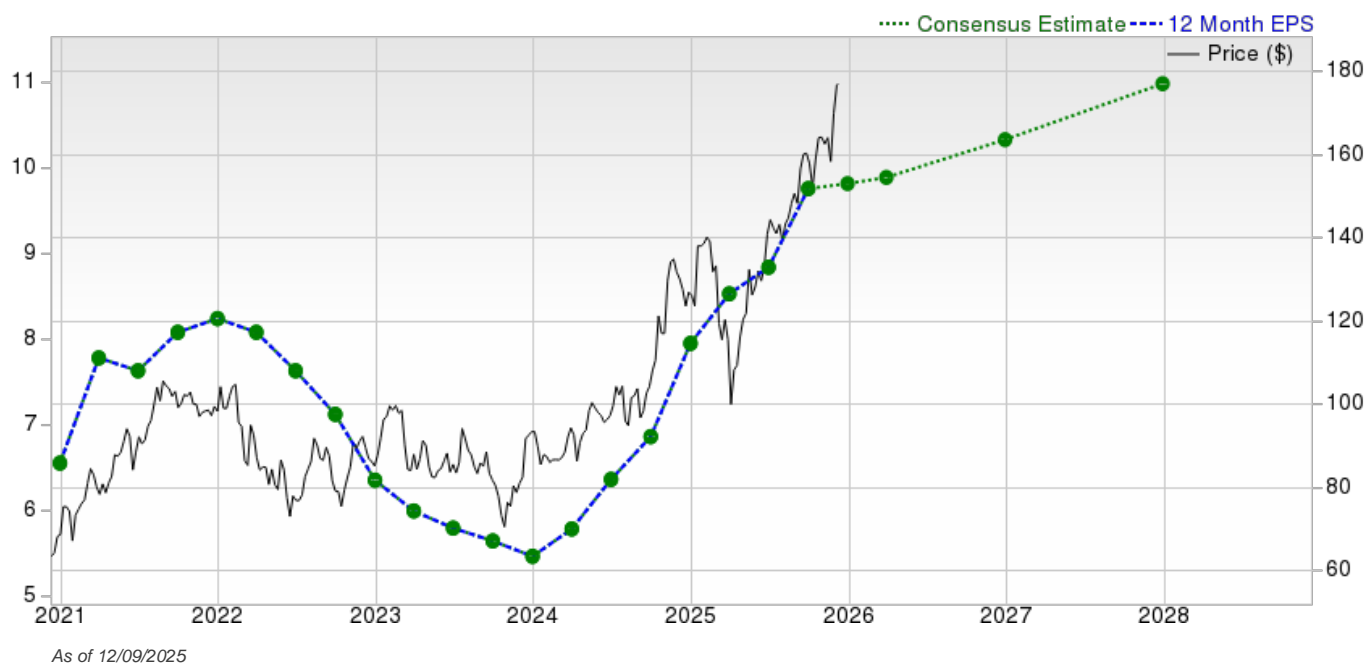
The company's business is divided into three segments:

The Institutional Securities ("IS") segment (contributing 45.5% of total net revenues in 2024) includes capital raising; financial advisory services that include advices on mergers and acquisitions (M&As), restructurings, real estate and project finance; corporate lending; sales, trading, financing and market-making activities in equity and fixed income securities and related products, including foreign exchange and commodities; benchmark indices and risk management analytics; and investment activities.

The Wealth Management ("WM") segment (46%) provides brokerage and investment advisory services covering various investment alternatives; financial and wealth planning services; annuity and other insurance products; credit and other lending products; cash management services; retirement services; and trust and fiduciary services and engages in fixed income principal trading.

The Investment Management ("IM") segment (8.5%) provides global asset management products and services in equity, fixed income, alternative investments that include hedge funds and funds of funds, and merchant banking including real estate, private equity and infrastructure, to institutional and retail clients through proprietary and third-party distribution channels. The segment also engages in investment.

In 2019, Morgan Stanley acquired Canada-based Solium Capital Inc. and renamed it as Shareworks by Morgan Stanley. In 2020, the company acquired E\*Trade Financial. In 2021, it acquired Eaton Vance.



## Reasons To Buy:

- ▲ Morgan Stanley has been gradually lowering its reliance on the capital markets for income generation. The company's focus on expanding its wealth and asset management operations and strategic acquisitions, including Eaton Vance, E\*Trade Financial and Shareworks, are steps in that direction. Also, in October 2025, Morgan Stanley announced an agreement to acquire EquityZen in an effort to tap the rapidly growing private markets landscape. These moves have bolstered its diversification efforts, enhanced stability and created a more balanced revenue stream across market cycles. The wealth and asset management businesses' aggregate contribution to total net revenues jumped to more than 55% in 2024 from 26% in 2010. In the first nine months of 2025, their aggregate contribution to net revenues was 53%. We project both the segments' total contribution (in aggregate) to the top line to be 54.2% in 2025. Further, the WM segment's total client assets witnessed a five-year (2019-2024) compound annual growth rate (CAGR) of 18.1%, while the IM segment's total assets under management recorded a CAGR of 24.7% over the same period. The uptrend for both metrics continued in the first nine months of 2025. The momentum is expected to continue in the near term as the operating environment becomes more favorable. For 2025, we project the WM segment's total client assets and the IM segment's total AUM balance to rise 4.5% and 9.1%, respectively, on a year-over-year basis.
- ▲ As global deal-making came to a grinding halt at the beginning of 2022, it weighed on Morgan Stanley's IB performance. The company's IB fees (in the IS segment) plunged 49% in 2022 and 13% in 2023. Nonetheless, the trend is reversing. In 2024, IB fees jumped 35% as clarity on several macroeconomic matters, higher chances of the soft landing of the U.S. economy and interest rate cuts globally drove deal-making activities. This year began on an optimistic note, but market sentiment cooled after Trump's tariff policies launched on 'Liberation Day', casting a shadow over deal-making. Yet, the momentum has rebounded, as deal-making activity started picking up. Hence, the uptrend in IB fees persisted in the first nine months of 2025. A healthy IB pipeline, an active M&A market and the company's leadership position will help it capitalize amid the changing macro situation. We expect IB revenues in the IS segment to grow 12.8% in 2025, 4.1% in 2026 and 5.4% in 2027.
- ▲ Morgan Stanley's partnership with Mitsubishi UFJ Financial Group, Inc. will keep supporting profitability. In 2023, the companies announced plans to deepen their 15-year alliance by merging certain operations within their Japanese brokerage joint ventures. The new alliance saw combined Japanese equity research, sales and execution services for institutional clients at Mitsubishi UFJ Morgan Stanley Securities and Morgan Stanley MUFG Securities. Also, their equity underwriting business has been rearranged between the two brokerage units. These efforts will solidify the company's position in Japan's market. The company's Asia region revenues jumped 29% year over year to \$7.27 billion in the first nine months of 2025.
- ▲ Morgan Stanley has a solid balance sheet. As of Sept. 30, 2025, the company had long-term debt of \$324.1 billion, with \$25.4 billion expected to mature over the next 12 months. The company's average liquidity resources were \$368.1 billion as of the same date. Morgan Stanley's investment-grade long-term credit ratings of A1, A- and A+ from Moody's, S&P Global Ratings and Fitch Ratings, respectively, and a stable outlook allow easy access to the debt market. The company is, thus, expected to be able to meet near-term debt obligations, even if the economic situation worsens.
- ▲ Morgan Stanley's capital distribution plans are impressive. It cleared the 2025 stress test impressively, and announced an 8% hike in quarterly dividend to \$1.00 per share and reauthorized a multi-year share repurchase program of up to \$20 billion (no expiration date). The company has increased its dividend five times in the last five years, with an annualized growth rate of 20.35%. It is expected to be able to continue with efficient capital distribution activities, given its solid liquidity position and earnings strength.

Strategic alliances and Morgan Stanley's increased focus on less capital market-dependent operations are expected to aid growth. Enhanced capital distribution activities reflect a solid balance sheet.

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## Risks<sup>(2)</sup>

- Morgan Stanley's over-dependence on trading revenues is worrisome. While the company's trading performance improved in 2021, 2022 and 2024, driven by heightened volatility and a rise in client activity, sales & trading revenues (in the IS segment) declined in 2023. Trading performance improved again in the first nine months of 2025 because of the uncertainty surrounding the tariff plans. Because of the volatile nature of the business and expectations that it will gradually normalize toward the pre-pandemic levels, growth in trading revenues might become challenging in the upcoming quarters. While we expect equity and fixed-income trading revenues to rise 26% and 5.9% in 2025, respectively, they are anticipated to decline in 2026 on a year-over-year basis.
  - Despite Morgan Stanley's restructuring and streamlining efforts that resulted in achieving its cost savings target of \$1 billion in 2017, overall expenses have been increasing. Though expenses declined in 2022, it witnessed a five-year (ended 2024) CAGR of 7.8%. The rising trend continued in the first nine months of 2025. Expenses are expected to remain elevated due to the steady increase in revenues (leading to higher compensation costs) and inflation, as well as the company's investments in franchise and inorganic growth efforts. Our estimates for total non-interest expenses indicate a year-over-year increase of 9.1% this year.
  - Morgan Stanley's trailing 12-month return on equity ("ROE") undercuts its growth potential. The company's ROE of 16.40% compares unfavorably with the S&P 500's 17.00%. This reflects that it is less efficient in using shareholders' funds.
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## Last Earnings Report

### Morgan Stanley Q3 Earnings Beat on Deal-Making Boom, Solid Trading

Morgan Stanley's third-quarter 2025 earnings of \$2.80 per share handily surpassed the Zacks Consensus Estimate of \$2.08. Also, the bottom line soared 49% from the prior-year quarter.

#### Behind Q3 Headline Numbers

Like its Wall Street peers, Morgan Stanley's investment banking business gained from a frenzy of deal-making activities and IPOs. Advisory fees jumped 25% year over year as completed M&A transactions rose.

Further, higher non-investment grade and investment grade issuances supported the company's fixed income underwriting fees, which surged 39%. Moreover, equity underwriting income soared 80% "as clients actively engaged in capital-raising opportunities." Hence, total IB fees (in the Institutional Securities division) increased 44% to \$2.11 billion. We had projected it to be \$1.54 billion.

Similarly, Morgan Stanley posted a solid trading performance. Equity trading revenues climbed 35% year over year to \$4.12 billion and fixed-income trading income was up 8% to \$2.17 billion. Our projections for equity and fixed-income trading revenues were \$3.56 billion and \$2.11 billion, respectively.

The performance of the company's wealth management and investment management businesses was impressive, driven by a rise in client assets and assets under management. Morgan Stanley's net interest income increased, given the improved lending activities. On the other hand, an increase in total non-interest expenses was the undermining factor.

Net income applicable to common shareholders was \$4.45 billion, an increase of 47% from the year-ago quarter. Our estimate for the metric was \$3.12 billion.

#### Revenues Surge, Expenses Rise

Quarterly net revenues were \$18.22 billion, surging 18% from the prior-year quarter. The top line handily beat the Zacks Consensus Estimate of \$16.4 billion.

NII was \$2.49 billion, up 13%. We had projected NII of \$2.31 billion.

Total non-interest revenues of \$15.73 billion jumped 19%. Our estimate for the metric was \$13.56 billion.

Total non-interest expenses were \$12.2 billion, up 10%. Our estimate for the metric was \$11.44 billion.

Provision for credit losses was nil compared with \$79 million in the prior-year quarter. We had projected the metric to be \$85.3 million.

#### Segment Performance

*Institutional Securities:* Pre-tax income was \$3.18 billion, jumping 67% from the prior-year quarter. Our estimate for the same was \$2.25 billion.

Net revenues were \$8.52 billion, up 25% year over year. The upside resulted from increased equity and fixed income trading revenues and higher IB net revenues. We had projected segment net revenues of \$7.44 billion.

*Wealth Management:* Pre-tax income totaled \$2.5 billion, rising 21% year over year. Our estimate for the metric was \$1.87 billion.

Net revenues were \$8.23 billion, up 13%, driven by higher asset management revenues, transactional revenues and NII. We had projected revenues of \$7.14 billion.

Total client assets were \$7.05 trillion as of Sept. 30, 2025, up 18% year over year. We had projected the metric to be \$6.4 trillion.

*Investment Management:* Pre-tax income was \$364 million, climbing 40% from the year-ago quarter. Our estimate for the same was \$243.2 million.

Net revenues were \$1.65 billion, growing 13%. The improvement was attributable to a rise in asset management and related fees, and performance-based income and other revenues. We had projected revenues of \$1.46 billion.

As of Sept. 30, 2025, total assets under management or supervision were \$1.81 trillion, up 13% year over year. Our estimate for the metric was \$1.75 trillion.

#### Capital Position Solid

As of Sept. 30, 2025, book value per share was \$62.98, up from \$58.25 in the corresponding period of 2024. The tangible book value per share was \$48.64, up from \$43.76 as of Sept. 30, 2024.

Morgan Stanley's Tier 1 capital ratio (advanced approach) was 17.6% compared with 16.9% in the year-ago quarter. The common equity Tier 1 capital ratio was 15.7% compared with 14.9% a year ago.

**FY Quarter Ending** **12/31/2024**

Earnings Reporting Date	Oct 15, 2025
Sales Surprise	10.80%
EPS Surprise	34.62%
Quarterly EPS	2.80
Annual EPS (TTM)	9.75

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### **Update on Share Buyback**

In the reported quarter, Morgan Stanley repurchased 7 billion shares for \$1.1 billion.

### **2025 Outlook**

The company expects a modest sequential gain in NII for the fourth quarter of 2025.

It anticipates the effective tax rate to be 24% for the fourth quarter.

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## Recent News

### Morgan Stanley Agrees to Buy Private Shares Platform EquityZen – Oct 29, 2025

In a move underscoring the growing convergence between traditional finance and private market innovation, Morgan Stanley announced an agreement to acquire EquityZen, a leading private shares marketplace.

The acquisition bolsters Morgan Stanley's private markets platform, which already offers cap table management, tender and liquidity programs and co-investment opportunities. Integrating EquityZen's issuer-aligned marketplace will allow the bank to provide end-to-end private market solutions — from equity administration to share trading — within a single, controlled framework. For private companies, this means greater discretion over how and when shares are traded; for investors and employees, it offers expanded liquidity options.

Jed Finn, Head of Morgan Stanley Wealth Management, called the deal "a critical step in the development of the private markets ecosystem," noting that the combination of EquityZen's marketplace with the firm's existing tools "will uniquely address client needs as companies stay private longer."

EquityZen, founded in 2013, connects retail investors to private company shares and has facilitated more than 49,000 transactions across over 450 companies. Its technology and 800,000-user base complement Morgan Stanley's extensive client network of 20 million.

Michael Gavisier, Head of Private Markets at Morgan Stanley, emphasized that EquityZen "connects supply and demand through a seamless, technology-driven solution," expanding both client access and advisor capabilities.

Expected to close in early 2026, the acquisition follows Morgan Stanley's recent partnership expansion with Carta and the launch of its Founders Specialist designation — moves that collectively reinforce its ambition to dominate the rapidly growing private markets landscape.

### Dividend Update

On Oct. 15, Morgan Stanley announced a quarterly dividend of \$1.00 per share. The dividend was paid out on Nov. 14 to shareholders of record as of Oct. 31.

## Valuation

Morgan Stanley's shares are up 34.1% in the past six months and 39.5% over the trailing 12-month period. Stocks in the Zacks sub-industry are up 22.5% in the past six months, while those in the Zacks Finance sector are up 9.2%. Over the past year, the Zacks sub-industry is up 30.6% and the sector is up 12.2%.

The S&P 500 index is up 16.6% in the past six-month period and 16.4% in the past year.

The stock is currently trading at 17.19X forward 12 months earnings, which compares to 14.88X for the Zacks sub-industry, 17.26X for the Zacks sector and 23.59X for the S&P 500 index.

Over the past five years, the stock has traded as high as 17.26X and as low as 9.49X, with a 5-year median of 13.26X. Our Outperform recommendation indicates that the stock will perform better than the market. Our \$203 price target reflects 19.73X forward earnings.

The table below shows summary valuation data for MS

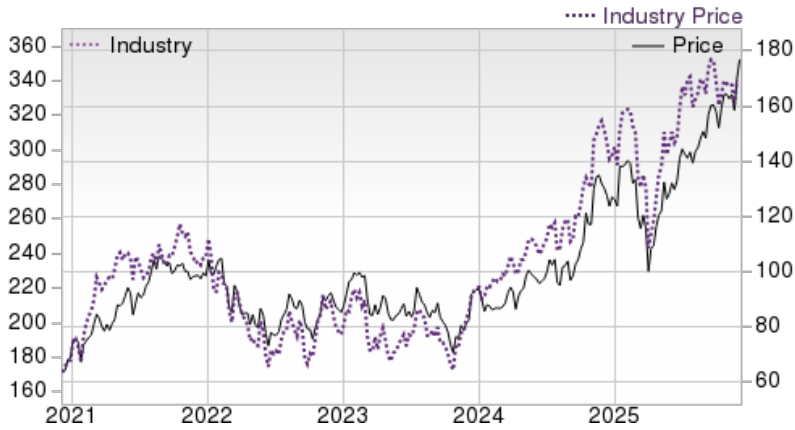
Valuation Multiples - MS					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	17.19	14.88	17.26	23.59
	5-Year High	17.26	15.26	18.28	23.78
	5-Year Low	9.49	8.94	12.37	15.73
	5-Year Median	13.26	12.00	16.12	21.21
P/TB TTM	Current	3.58	3.1	5.96	12.93
	5-Year High	3.58	3.1	6.03	16.57
	5-Year Low	1.35	1.55	3.44	10.52
	5-Year Median	2.25	2.19	4.74	13.66
P/S F12M	Current	3.88	4.5	9.07	5.33
	5-Year High	3.88	4.52	10.06	5.5
	5-Year Low	2.07	2.42	6.68	3.83
	5-Year Median	2.77	3.49	8.39	5.05

As of 12/08/2025

Source: Zacks Investment Research



## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Top 7% (17 out of 243)



## Top Peers<sup>(1)</sup>

Company (Ticker)	Rec	Rank
Bank of America Corp..(BAC)	Neutral	2
Citigroup Inc. (C)	Neutral	3
The Goldman Sachs Gr..(GS)	Neutral	3
Nomura Holdings Inc ...(NMR)	Neutral	3
The PNC Financial Se...(PNC)	Neutral	3
Raymond James Financ...(RJF)	Neutral	3
The Charles Schwab C...(SCHW)	Neutral	2
Wells Fargo & Compan...(WFC)	Neutral	2

## Industry Comparison<sup>(1)</sup> Industry: Financial - Investment Bank

	MS	X Industry	S&P 500	C	GS	WFC
Zacks Recommendation (Long Term)	Outperform	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	1	-	-	3	3	2
VGM Score	F	-	-	F	F	F
Market Cap	284.22 B	12.80 B	38.71 B	195.80 B	262.91 B	279.03 B
# of Analysts	7	6	22	8	6	9
Dividend Yield	2.24%	0.49%	1.45%	2.19%	1.83%	2.03%
Value Score	F	-	-	D	C	D
Cash/Price	1.23	0.48	0.04	6.32	2.02	1.72
EV/EBITDA	12.21	3.38	14.41	-9.93	1.68	-0.18
PEG Ratio	2.12	1.13	2.20	0.57	1.16	0.90
Price/Book (P/B)	2.82	2.53	3.39	1.00	2.41	1.68
Price/Cash Flow (P/CF)	15.36	14.32	14.91	12.12	16.14	10.78
P/E (F1)	18.69	17.73	19.78	14.39	17.94	14.16
Price/Sales (P/S)	2.43	2.36	2.99	1.16	2.08	2.28
Earnings Yield	5.46%	5.64%	5.05%	6.95%	5.58%	7.06%
Debt/Equity	3.27	0.15	0.57	1.62	2.53	1.07
Cash Flow (\$/share)	11.52	6.61	8.99	8.99	53.69	8.35
Growth Score	F	-	-	F	F	F
Hist. EPS Growth (3-5 yrs)	1.02%	6.03%	8.13%	-7.93%	-5.55%	27.93%
Proj. EPS Growth (F1/F0)	20.38%	18.41%	8.48%	27.73%	20.55%	16.95%
Curr. Cash Flow Growth	34.39%	9.70%	7.00%	0.93%	24.65%	4.22%
Hist. Cash Flow Growth (3-5 yrs)	10.34%	8.89%	7.31%	-5.26%	10.39%	0.21%
Current Ratio	0.79	1.12	1.18	0.99	0.65	0.84
Debt/Capital	74.92%	12.01%	38.15%	59.63%	69.00%	49.27%
Net Margin	13.85%	14.35%	12.82%	8.73%	13.18%	17.18%
Return on Equity	16.40%	15.66%	17.00%	7.91%	15.29%	12.51%
Sales/Assets	0.09	0.13	0.53	0.07	0.07	0.06
Proj. Sales Growth (F1/F0)	11.70%	6.98%	5.70%	6.30%	10.70%	2.10%
Momentum Score	B	-	-	B	D	C
Daily Price Chg	0.18%	0.00%	-0.35%	0.04%	1.42%	0.26%
1 Week Price Chg	4.04%	1.18%	0.50%	5.10%	3.45%	4.64%
4 Week Price Chg	7.14%	0.90%	0.21%	7.32%	8.72%	4.60%
12 Week Price Chg	12.89%	0.00%	3.50%	9.15%	10.16%	10.63%
52 Week Price Chg	37.53%	13.29%	13.11%	51.57%	45.88%	24.01%
20 Day Average Volume	5,427,299	727,841	2,744,237	10,998,826	1,987,021	12,885,358
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	2.50%	0.34%	0.02%	1.03%	-0.11%	0.00%
(F1) EPS Est 12 week change	10.13%	3.67%	0.70%	4.83%	5.77%	5.41%
(Q1) EPS Est Mthly Chg	0.59%	0.00%	0.00%	0.52%	-1.07%	0.00%



## Analyst Earnings Model<sup>(2)</sup>

### Morgan Stanley (MS)

In \$MM, except per share data

	2022A	2023A	2024A	2025E				2026E				2027E		
	FY	FY	FY	1QA	2QA	3QA	4QE	FY	1QE	2QE	3QE	4QE	FY	FY
FY Ends December 31st	Dec-22	Dec-23	Dec-24	31-Mar-25	30-Jun-25	30-Sep-25	31-Dec-25	Dec-25	31-Mar-26	30-Jun-26	30-Sep-26	31-Dec-26	Dec-26	Dec-27
Income Statement														
Net Interest Income	\$9,327.0	\$8,230.0	\$8,611.0	\$2,353.0	\$2,347.0	\$2,491.0	\$2,502.9	\$9,693.9	\$2,501.3	\$2,485.7	\$2,492.0	\$2,522.4	\$10,001.5	\$10,221.4
Provision for Credit Losses	\$280.0	\$532.0	\$264.0	\$135.0	\$196.0	\$0.0	\$66.5	\$397.5	\$68.3	\$50.5	\$44.5	\$54.5	\$217.8	\$171.7
Investment Banking	\$5,599.0	\$4,948.0	\$6,705.0	\$1,711.0	\$1,644.0	\$2,266.0	\$1,820.6	\$7,441.6	\$1,990.2	\$1,979.2	\$2,001.2	\$1,925.8	\$7,896.4	\$8,188.1
Trading	\$13,928.0	\$15,263.0	\$16,763.0	\$5,111.0	\$4,745.0	\$5,020.0	\$4,348.8	\$19,224.8	\$4,931.2	\$4,777.6	\$4,656.7	\$4,559.5	\$18,925.1	\$19,328.5
Investments	\$15.0	\$573.0	\$824.0	\$369.0	\$388.0	\$374.0	\$310.3	\$1,441.3	\$370.9	\$363.7	\$346.0	\$337.0	\$1,417.6	\$1,485.5
Commissions and Fees	\$4,938.0	\$4,537.0	\$5,094.0	\$1,481.0	\$1,425.0	\$1,473.0	\$1,477.7	\$5,856.7	\$1,549.6	\$1,534.0	\$1,498.4	\$1,485.3	\$6,067.2	\$6,142.7
Asset Management	\$19,578.0	\$19,617.0	\$22,499.0	\$5,963.0	\$5,953.0	\$6,441.0	\$5,640.8	\$23,997.8	\$6,027.8	\$6,030.0	\$5,917.1	\$5,731.3	\$23,706.1	\$24,069.6
Other	\$283.0	\$975.0	\$1,265.0	\$751.0	\$290.0	\$159.0	\$140.9	\$1,340.9	\$394.0	\$232.1	\$144.7	\$147.4	\$918.3	\$931.5
Total Non-Interest Income	\$44,341.0	\$45,913.0	\$53,150.0	\$15,386.0	\$14,445.0	\$15,733.0	\$13,739.1	\$59,303.1	\$15,263.7	\$14,916.6	\$14,564.1	\$14,186.2	\$58,930.7	\$60,145.9
Total Revenue	\$53,668.0	\$54,143.0	\$61,761.0	\$17,739.0	\$16,792.0	\$18,224.0	\$16,242.0	\$68,997.0	\$17,765.1	\$17,402.3	\$17,056.2	\$16,708.6	\$68,932.2	\$70,367.3
Net Revenue (After Provision)	\$53,388.0	\$53,611.0	\$61,497.0	\$17,604.0	\$16,596.0	\$18,224.0	\$16,175.6	\$68,599.6	\$17,696.8	\$17,351.8	\$17,011.7	\$16,654.1	\$68,714.4	\$70,195.6
Compensation & Benefits	\$23,053.0	\$24,558.0	\$26,178.0	\$7,521.0	\$7,190.0	\$7,442.0	\$7,098.5	\$29,251.5	\$7,583.8	\$7,572.1	\$7,451.1	\$7,251.2	\$29,858.1	\$30,398.0
Non-Compensation Expenses	\$16,246.0	\$17,240.0	\$17,723.0	\$4,539.0	\$4,784.0	\$4,754.0	\$4,566.0	\$18,643.0	\$4,631.2	\$4,662.0	\$4,582.0	\$4,588.0	\$18,463.1	\$18,732.9
Total Non-Interest Expense	\$39,299.0	\$41,798.0	\$43,901.0	\$12,060.0	\$11,974.0	\$12,196.0	\$11,664.5	\$47,894.5	\$12,215.0	\$12,234.1	\$12,033.1	\$11,839.1	\$48,321.2	\$49,130.8
Pre-Tax Pre-Provision Income	\$14,369.0	\$12,345.0	\$17,860.0	\$5,679.0	\$4,818.0	\$6,028.0	\$4,577.6	\$21,102.6	\$5,550.1	\$5,168.3	\$5,023.1	\$4,869.5	\$20,611.0	\$21,236.5
Pre-Tax Operating Income	\$14,089.0	\$11,813.0	\$17,596.0	\$5,544.0	\$4,622.0	\$6,028.0	\$4,511.1	\$20,705.1	\$5,481.8	\$5,117.7	\$4,978.6	\$4,815.0	\$20,393.1	\$21,064.7
Income Tax	\$2,910.0	\$2,583.0	\$4,067.0	\$1,173.0	\$1,047.0	\$1,373.0	\$1,082.7	\$4,675.7	\$1,315.6	\$1,228.3	\$1,194.9	\$1,155.6	\$4,894.4	\$5,055.5
Tax Rate	20.7%	21.9%	23.1%	21.2%	22.7%	22.8%	24.0%	22.6%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%
Net Income	\$11,179.0	\$9,230.0	\$13,529.0	\$4,371.0	\$3,575.0	\$4,655.0	\$3,428.4	\$16,029.4	\$4,166.2	\$3,889.5	\$3,783.7	\$3,659.4	\$15,498.8	\$16,009.2
Non-Controlling Interest	\$150.0	\$143.0	\$139.0	\$56.0	\$36.0	\$45.0	\$45.0	\$182.0	\$45.0	\$45.0	\$45.0	\$45.0	\$180.0	\$180.0
Net Income Applicable to MS	\$11,029.0	\$9,087.0	\$13,390.0	\$4,315.0	\$3,539.0	\$4,610.0	\$3,383.4	\$15,847.4	\$4,121.2	\$3,844.5	\$3,738.7	\$3,614.4	\$15,318.8	\$15,829.2
Preferred Dividend	\$489.0	\$557.0	\$590.0	\$158.0	\$147.0	\$160.0	\$150.0	\$615.0	\$158.0	\$147.0	\$160.0	\$150.0	\$615.0	\$615.0
Net Income Applicable to Common Shareholders	\$10,540.0	\$8,530.0	\$12,800.0	\$4,157.0	\$3,392.0	\$4,450.0	\$3,233.4	\$15,232.4	\$3,963.2	\$3,697.5	\$3,578.7	\$3,464.4	\$14,703.8	\$15,214.2
Basic Shares Outstanding	1,691.0	1,628.0	1,591.0	1,584.0	1,577.0	1,571.0	1,564.0	1,574.0	1,556.0	1,548.0	1,540.0	1,532.0	1,544.0	1,509.5
Diluted Shares Outstanding	1,713.0	1,646.0	1,611.0	1,600.0	1,593.0	1,590.0	1,583.0	1,591.5	1,575.0	1,567.0	1,559.0	1,551.0	1,563.0	1,528.5
Basic EPS	\$6.23	\$5.24	\$8.04	\$2.62	\$2.15	\$2.83	\$2.07	\$9.67	\$2.55	\$2.39	\$2.32	\$2.26	\$9.52	\$10.08
Diluted EPS	\$6.15	\$5.18	\$7.95	\$2.60	\$2.13	\$2.80	\$2.04	\$9.57	\$2.52	\$2.36	\$2.30	\$2.23	\$9.41	\$9.95
Adjusted Diluted EPS	\$6.36	\$5.46	\$7.95	\$2.60	\$2.13	\$2.80	\$2.04	\$9.57	\$2.52	\$2.36	\$2.30	\$2.23	\$9.41	\$9.95
Dividend Per Share	\$2.95	\$3.25	\$3.63	\$0.93	\$0.93	\$1.00	\$1.00	\$3.85	\$1.00	\$1.00	\$1.00	\$1.00	\$4.00	\$4.00

## Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

## Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

## Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

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The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	F
Growth Score	F
Momentum Score	B
VGM Score	F

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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