

MORGAN STANLEY
Form 10-K
February 26, 2019
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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the year ended December 31, 2018

Commission File Number 1-11758

(Exact name of Registrant as specified in its charter)

Delaware

1585 Broadway

36-3145972

(212) 761-4000

(State or other jurisdiction of
incorporation or organization)

New York, NY 10036

(I.R.S. Employer Identification No.)

(Registrant's telephone number

(Address of principal executive
offices,
including zip code)

including area code)

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

Title of each class	Name of exchange on which registered
Common Stock, \$0.01 par value	New York Stock Exchange
Depository Shares, each representing 1/1,000th interest in a share of Floating Rate Non-Cumulative Preferred Stock, Series A, \$0.01 par value	New York Stock Exchange
Depository Shares, each representing 1/1,000th interest in a share of Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series E, \$0.01 par value	New York Stock Exchange
Depository Shares, each representing 1/1,000th interest in a share of Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series F, \$0.01 par value	New York Stock Exchange New York Stock Exchange

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Depository Shares, each representing 1/1,000th interest in a share of 6.625% Non-Cumulative Preferred Stock, Series G, \$0.01 par value	
Depository Shares, each representing 1/1,000th interest in a share of Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series I, \$0.01 par value	New York Stock Exchange
Depository Shares, each representing 1/1,000th interest in a share of Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series K, \$0.01 par value	New York Stock Exchange
Global Medium-Term Notes, Series A, Fixed Rate Step-Up Senior Notes Due 2026 of Morgan Stanley Finance LLC (and Registrant's guarantee with respect thereto)	New York Stock Exchange
Market Vectors ETNs due March 31, 2020 (two issuances); Market Vectors ETNs due April 30, 2020 (two issuances)	NYSE Arca, Inc.
Morgan Stanley Cushing® MLP High Income Index ETNs due March 21, 2031	NYSE Arca, Inc.

Indicate by check mark if Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES NO

Indicate by check mark if Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. YES NO

Indicate by check mark whether Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES NO

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). YES NO

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of large accelerated filer, accelerated filer, smaller reporting company and emerging growth company in Rule 12b-2 of the Exchange Act (Check one):

<input type="checkbox"/> Large Accelerated Filer	<input type="checkbox"/> Accelerated Filer
<input type="checkbox"/> Non-Accelerated Filer	<input type="checkbox"/> Smaller reporting company
	<input type="checkbox"/> Emerging growth company

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether Registrant is a shell company (as defined in Exchange Act Rule 12b-2). YES NO

As of June 30, 2018, the aggregate market value of the common stock of Registrant held by non-affiliates of Registrant was approximately \$79,320,949,858. This calculation does not reflect a determination that persons are affiliates for any other purposes.

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As of January 31, 2019, there were 1,708,787,567 shares of Registrant's common stock, \$0.01 par value, outstanding.

Documents Incorporated by Reference: Portions of Registrant's definitive proxy statement for its 2018 annual meeting of shareholders are incorporated by reference in Part III of this Form 10-K.

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ANNUAL REPORT ON FORM 10-K

for the year ended December 31, 2018

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Forward-Looking Statements

We have included in or incorporated by reference into this report, and from time to time may make in our public filings, press releases or other public statements, certain statements, including (without limitation) those under *Legal Proceedings*, *Management's Discussion and Analysis of Financial Condition and Results of Operations* and *Quantitative and Qualitative Disclosures about Risk* that may constitute forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. In addition, our management may make forward-looking statements to analysts, investors, representatives of the media and others. These forward-looking statements are not historical facts and represent only our beliefs regarding future events, many of which, by their nature, are inherently uncertain and beyond our control.

The nature of our business makes predicting the future trends of our revenues, expenses, and net income difficult. The risks and uncertainties involved in our businesses could affect the matters referred to in such statements, and it is possible that our actual results may differ, possibly materially, from the anticipated results indicated in these forward-looking statements. Important factors that could cause actual results to differ from those in the forward-looking statements include (without limitation):

- the effect of market conditions, particularly in the global equity, fixed income, currency, credit and commodities markets, including corporate and mortgage (commercial and residential) lending and commercial real estate markets and energy markets;
- the level of individual investor participation in the global markets as well as the level of client assets;
- the flow of investment capital into or from assets under management or supervision;
- the level and volatility of equity, fixed income and commodity prices, interest rates, inflation and currency values and other market indices;
- the availability and cost of both credit and capital as well as the credit ratings assigned to our unsecured short-term and long-term debt;
- technological changes instituted by us, our competitors or counterparties and technological risks, business continuity and related operational risks, including breaches or other disruptions of our or a third party's (or third parties thereof) operations or systems;
- risk associated with cybersecurity threats, including data protection and cybersecurity risk management;
- our ability to manage effectively our capital and liquidity, including approval of our capital plans by our banking regulators;
- the impact of current, pending and future legislation (including with respect to the Dodd-Frank Wall Street Reform and Consumer Protection Act (*Dodd-Frank Act*) or changes thereto, regulation (including capital, leverage, funding, liquidity and recovery and resolution requirements and our ability to address such requirements), policies including fiscal and monetary policies established by central banks and financial regulators;
- changes to global trade policies and tariffs, government debt ceilings and funding, reforms of LIBOR, EURIBOR and other indices, and other legal and regulatory actions in the U.S. and worldwide;
- changes in tax laws and regulations globally, including the interpretation and application of the U.S. Tax Cuts and Jobs Act (*Tax Act*);
- the effectiveness of our risk management processes;
- our ability to effectively respond to an economic downturn, or other market disruptions;

the effect of economic and political conditions and geopolitical events, including, for example, the U.K.'s anticipated withdrawal from the E.U. and a government shutdown in the United States;
the actions and initiatives of current and potential competitors as well as governments, central banks, regulators and self-regulatory organizations;
our ability to provide innovative products and services and execute our strategic objectives;
sovereign risk;
the performance and results of our acquisitions, divestitures, joint ventures, strategic alliances or other strategic arrangements;
investor, consumer and business sentiment and confidence in the financial markets;
our reputation and the general perception of the financial services industry;
natural disasters, pandemics and acts of war or terrorism; and
other risks and uncertainties detailed under Business Competition and Business Supervision and Regulation, Risk Factors and elsewhere throughout this report.

Accordingly, you are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they are made. We undertake no obligation to update publicly or revise any forward-looking statements to reflect the impact of circumstances or events that arise after the dates they are made, whether as a result of new information, future events or otherwise except as required by applicable law. You should, however, consult further disclosures we may make in future filings of our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K and any amendments thereto or in future press releases or other public statements.

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Available Information

We file annual, quarterly and current reports, proxy statements and other information with the SEC. The SEC maintains an internet site, *www.sec.gov*, that contains annual, quarterly and current reports, proxy and information statements and other information that issuers file electronically with the SEC. Our electronic SEC filings are available to the public at the SEC's internet site.

Our internet site is *www.morganstanley.com*. You can access our Investor Relations webpage at *www.morganstanley.com/about-us-ir*. We make available free of charge, on or through our Investor Relations webpage, our Proxy Statements, Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and any amendments to those reports filed or furnished pursuant to the Securities Exchange Act of 1934, as amended