

Morgan Stanley

UBS Global Financial Services Conference

Colm Kelleher and Paul J. Taubman
Co-Presidents of Institutional Securities

May 11, 2010

Notice

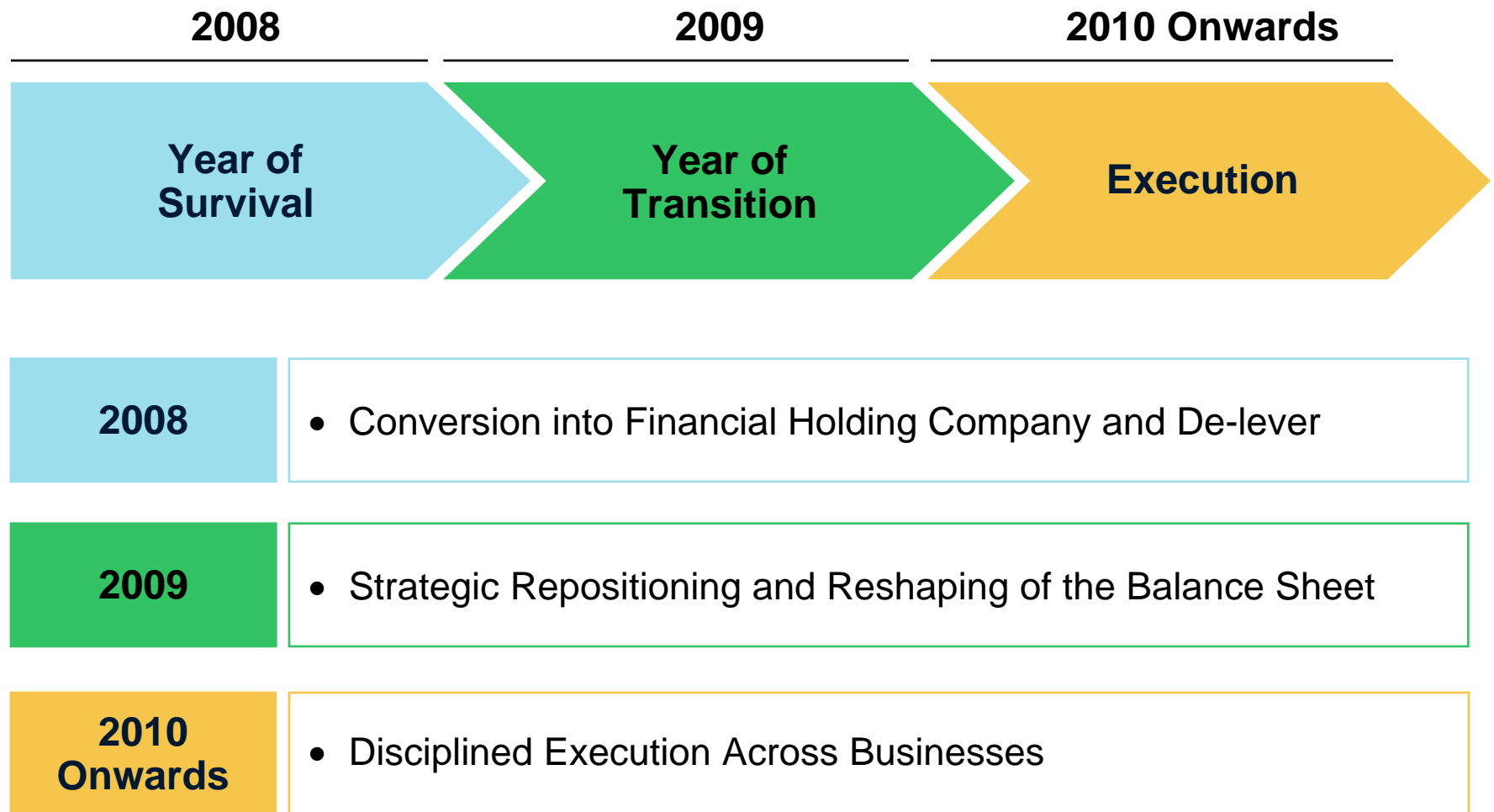
The information provided herein may include certain non-GAAP financial measures. The reconciliation of such measures to the comparable GAAP figures are included in the Company's Annual Report on Form 10-K for the year ended December 31, 2009 ("Annual Report on Form 10-K"), the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2010 ("Quarterly Report on Form 10-Q") and the Company's Current Reports on Form 8-K, including any amendments thereto, which are available on www.morganstanley.com.

This presentation may contain forward-looking statements. 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 or beliefs and which are subject to risks and uncertainties that may cause actual results to differ materially. For a discussion of risks and uncertainties that may affect the future results of the Company, please see the Company's Annual Report on Form 10-K, the Company's Quarterly Report on Form 10-Q and the Company's Current Reports on Form 8-K.

Agenda

- Executive Summary
- Financial Performance
- Landscape
 - Investment Banking
 - Sales and Trading
- Strategic Priorities and Outlook

Executive Summary



2010 Onwards

Balanced Leadership Team in Place

- Morgan Stanley veterans
- Outside industry leadership

Execution Across Operating Businesses

- Institutional Securities
- Global Wealth Management
- Asset Management

Ability to Leverage Strategic Relationships

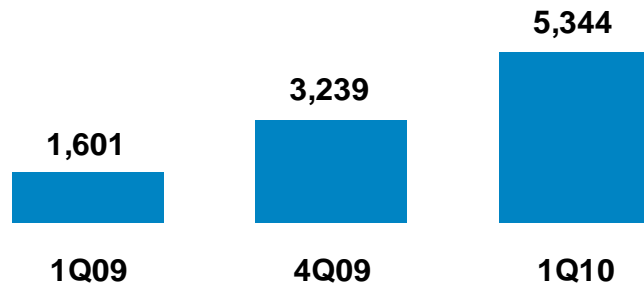
- MUFG
- CIC

Evolution of Business Model

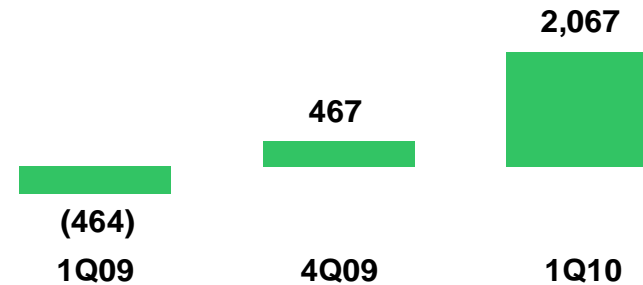
- Morgan Stanley Smith Barney
- Sale of Retail Asset Management
- Discover settlement

Institutional Securities Financial Highlights

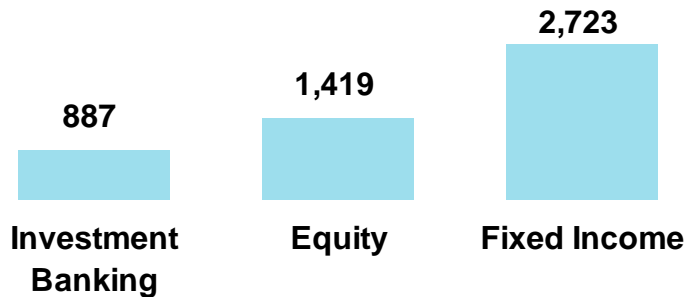
Net Revenues
(\$MM)



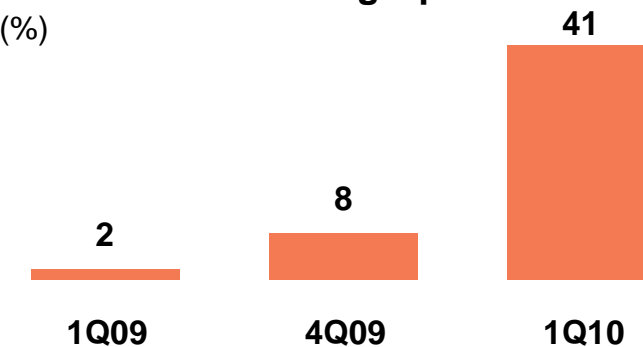
PBT from Continuing Ops
(\$MM)



1Q10 Revenue Breakout (1)
(\$MM)



ROE from Continuing Ops
(%)



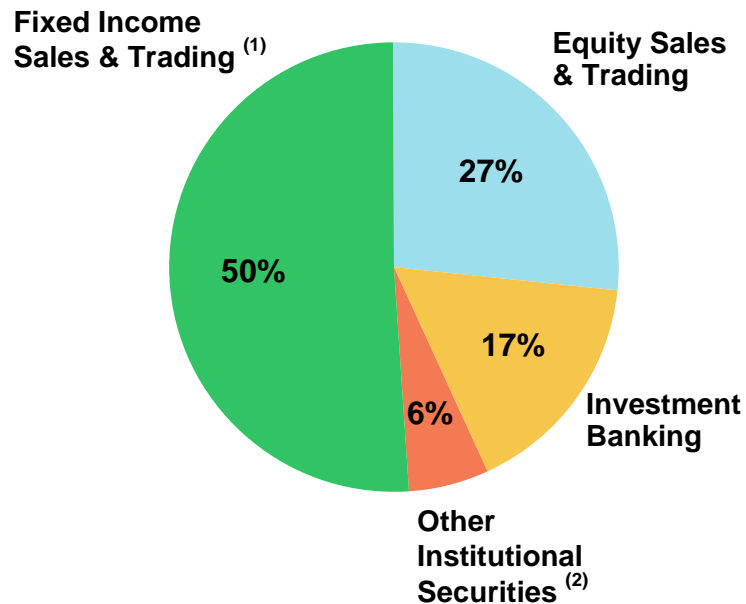
Source: Morgan Stanley SEC Filings

(1) Revenue Breakout excludes Investments and Other Revenue

Institutional Securities Financial Highlights

1Q 2010 Net Revenues of \$5.3Bn

Product Mix – 1Q 2010



Institutional Securities 1Q 2010 Highlights

- Client-focused investment banking franchise remains a clear industry leader
 - Leading M&A and Equity franchise
 - Leading market position in all major geographies
- Sales & Trading revenues improved significantly from 4Q09
 - Solid performance in Credit products
 - Improving distribution and footprint in Foreign Exchange, Emerging Markets and Interest Rates
 - Expanded market share in Cash Equities
 - Increase in Prime Brokerage client balances

Source: Morgan Stanley SEC Filings

(1) Represents combined revenues from Fixed Income Sales and Trading and Other Sales and Trading

(2) Includes Investments and Other Revenue

Investment Banking Operating Environment

M&A

- Modest improvement in M&A environment and outlook
 - Availability of credit
 - Increasing sponsor activity

Equity

- Volatile equity markets with majority of activity based outside the Americas

Debt

- Investment Grade Debt volumes are likely to be below 2009 record year
- 1Q10 set a new record for global high yield issuance in a single quarter, eclipsing 4Q06

Source: Thomson Reuters

Leading Investment Banking Franchise Across Services

Advisory



- \$22Bn CenturyLink merger with Qwest



- Sale of AIA to Prudential PLC for \$35.5Bn

Equity Underwriting



- C\$1.35Bn IPO for Athabasca Oil Sands Corp



- €1.45 Bn IPO of Amadeus IT Holding

Debt Underwriting



- \$4.05Bn in fully committed acquisition finance facilities
- \$1.7Bn in syndicated credit facilities
- \$1.6Bn senior notes offering
- \$1.2Bn follow-on equity offering


Morgan Stanley

This slide is part of a presentation by Morgan Stanley and is intended to be viewed as part of that presentation. The presentation is based on information generally available to the public and does not contain any material, non-public information. The presentation has not been updated since it was originally presented.

Breadth of Our Global Investment Banking Franchise



£12.0 Bn
Cadbury PLC sale to Kraft Foods
Joint Bookrunner
Jan 2010



amADEUS
Your technology partner

€1.5Bn
Initial Public Offering
Joint Bookrunner
April 2010




\$2.7Bn
IPO
Joint Global Coordinator
April 2010




Grupo  FLEURY

\$312MM
Initial Public Offering
Joint Bookrunner
Jan 2010



AFRICAN
BARRICK GOLD

\$940MM
Initial Public Offering
Joint Bookrunner
March 2010



SAMSUNG
LIFE INSURANCE

SAMSUNG

\$4.4Bn
Initial Public Offering
International Bookrunner
April 2010

Investment Banking Strengths and Opportunities

Competitive Strengths

- Advisory
- IPOs
- Equity and Equity-linked
- Corporate Debt

Market Share Gain Opportunities

- Leveraged Finance
- Cross Border Advisory
- Client Risk Management

Sales and Trading Operating Environment

- Generally stable market environment for most of this year
 - Market volatility remained low across businesses
 - Liquidity steadily increased as new cash continued to enter markets
 - Increased borrowing demand from Investment Grade and High Yield clients readily absorbed by market

Sales and Trading Operating Environment

- Over the past few weeks, liquidity and contagion fears from European sovereign credit issues have caused a pick up in volatility and a general retracement of market themes throughout most of this year
 - Historical market relationships and trends across major products have become less correlated due to significant risk aversion and risk reduction
 - Renewed pressure to keep interest rates low globally
- Uncertainty over regulatory reform will continue to put pressure on returns

Sales and Trading Strengths and Opportunities

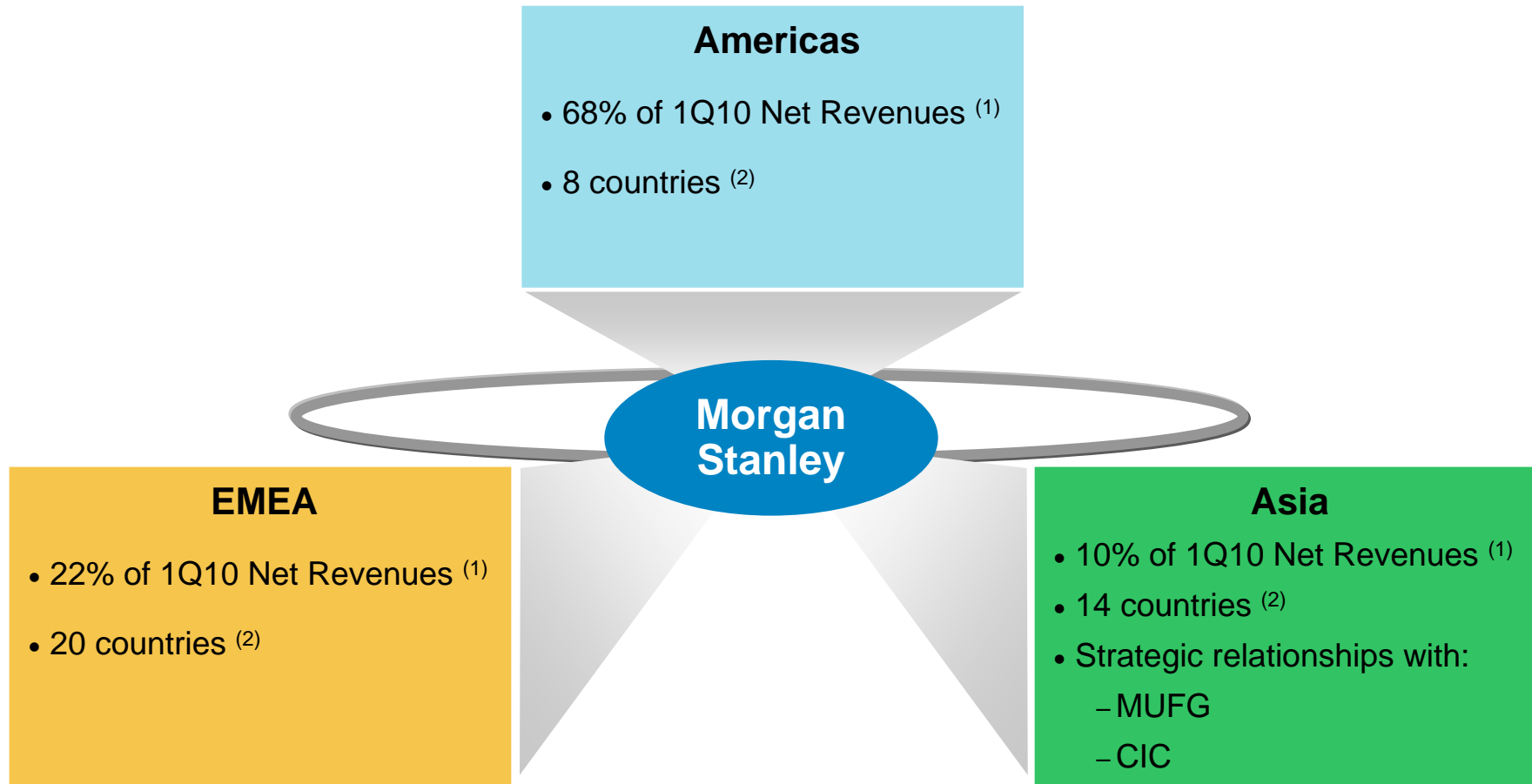
Competitive Strengths

- Commodities
- Prime Brokerage
- Equity Cash
- Corporate Debt and Credit Derivatives

Market Share Gain Opportunities

- Rates
- Foreign Exchange
- Emerging Markets
- Equity Derivatives
- Fixed Income Derivatives

Building on Competitive Strengths: Geographic Reach



Source: Morgan Stanley SEC filings

(1) Reported Net Revenues at the Firm-wide level

(2) Includes 37 countries with active employees and contingents and 5 countries with license/business only as of 3/31/2010

Well Positioned for Strong Execution Going Forward

Balanced Leadership Team

- Compelling combination of Morgan Stanley veterans and new talent with significant industry expertise and strategic vision

Significant Market Share Opportunities

- Build on competitive strengths and capabilities while focusing on key market share gain opportunities

Targeted Growth Strategy

- Continue to increase client footprint across Institutional Securities
- Expand market share in targeted products and regions
- Drive more flow products, and less structured products
- Focus on top clients through reinvigorated initiatives

Disciplined Resource Allocation and Capital Management

- Maintain balanced operating approach and efficient capital allocation
- Diversified and stable funding sources
- Disciplined risk-taking and risk management

Morgan Stanley

UBS Global Financial Services Conference

Colm Kelleher and Paul J. Taubman
Co-Presidents of Institutional Securities

May 11, 2010