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, 2010 Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, including any amendments thereto, all of which are available on www.morganstanley.com.

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1Q10 Net Revenues of $9.1 Bn\(^{(1)}\)

1Q 2010 Highlights -

- First quarter revenues were $9.1 billion, up 33% from last quarter in what was a generally stable operating environment despite sovereign credit concerns
- 1Q10 marked a period of stability and progress for Morgan Stanley
- Improvement in revenue, net income, EPS and ROE
- Improved performance in each of our 3 major business lines

Source:
Morgan Stanley Earnings Conference Call, SEC Filings

(1) The quarter ended March 31, 2010 includes results from the Morgan Stanley Smith Barney joint venture effective from May 31, 2009.
(2) Represents combined revenues from Fixed Income Sales and Trading and Other Sales and Trading.
1Q 2010 Highlights -

- Revenues of $5.3 billion up substantially from 4Q09 from improved Sales and Trading
  - Immaterial impact from tightening credit spreads
- Investment Banking delivered strong results
  - #2 in Completed M&A
  - #4 in Global Announced M&A
  - #3 In Global IPOs
- Fixed Income Sales and Trading revenues of $2.7 billion driven by solid performance in interest rate, credit and currency products
  - Particular strength in Credit Products

Source:
Morgan Stanley Earnings Conference Call, SEC Filings, Thomson Reuters – for the period of January 1, 2010 to March 31, 2010 as of April 5, 2010

(1) Represents combined revenues from Fixed Income Sales and Trading and Other Sales and Trading.
(2) Includes investments and other revenues.

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1Q 2010 Highlights -

- $278 million PBT and 9% PBT margin
  - Quarterly integration costs of $100 million
- 18,140 Financial Advisors
  - FA turnover within top two quintiles remained at historic lows
  - The Firm led the industry with 38 of the 100 top financial advisors in this year’s annual Barron’s survey, including 9 of the top 15.
- $1.6 trillion total client assets
- $5.8 billion net new assets
- $685,000 average annualized revenue per global representative
Asset Management

1Q 2010 Highlights -

- Core business(2) – Net revenues of $414 million represent fifth consecutive profitable quarter
- Merchant Banking – Net revenues of $239 million were driven by gains in principal investments
- Total assets under management of $262 billion

Source:
Morgan Stanley Earnings Conference Call, SEC Filings
(1) "Other" includes Investment Banking, Net Interest, Commissions and Other revenues.
(2) "Core business" includes traditional, hedge funds and fund of funds asset management.

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Firmwide Real Estate Investments

Total Real Estate Investments of $2.5bn \(^{(1)}\)

Notable Points

- Total Real Estate Investments exposure as of 1Q10 was $2.5 billion
  - Includes $1.3 billion of contractual commitments and other arrangements
  - Revel has been moved to Discontinued Operations based upon plans for disposition

Source:

Morgan Stanley Earnings Conference Call, SEC Filings

(1) These balances exclude investments that benefit certain deferred compensation and employee co-investment plans.

(2) Represents investment assets of consolidated subsidiaries and funds, net of non-controlling interests. Consolidated statement of income amounts are condensed in this presentation and include: principal transactions, net operating revenues and expenses and impairment charges, if applicable.

The three month period ended Mar 31, 2010 reflects an estimated loss on the planned disposition of Revel, which was included in discontinued operations.
Capital Ratios

**Total Assets**

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<th>Quarter</th>
<th>Total Assets ($Bn)</th>
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<tr>
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<td>1Q 2010</td>
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</tr>
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**1Q10 Key Capital Ratios (Basel I)**

- **Tier 1 Common Ratio**: 8.3%
- **Tier 1 Capital Ratio**: 15.1%

Source:
Morgan Stanley SEC Filings
Funding Diversification

Composition of Funding Liabilities and Equity

4Q07 (1)
- 52% Deposits
- 32% Long-term Debt
- 5% Shareholders’ Equity
- 5% Secured Funding
- 6% Commercial Paper & other short term borrowings

1Q10 (2)
- 42% Deposits
- 36% Long-term Debt
- 9% Shareholders’ Equity
- 1% Secured Funding
- 12% Commercial Paper & other short term borrowings

Source: Morgan Stanley SEC Filings
(1) 4Q07 numbers as reported on a fiscal-year basis. 4Q07 Liabilities and Equity – Commercial Paper & Other Short-Term Borrowings - $34.5, Long-Term Debt - $190.6, Secured Financing - $301.0, Deposits - $31.2, Shareholders Equity - $31.3
(2) 1Q10 numbers as reported on a calendar-year basis. 1Q10 Liabilities and Equity – Commercial Paper & Other Short-Term Borrowings - $3.3, Long-Term Debt - $189.2, Secured Financing - $215.5, Deposits - $63.9, Shareholders Equity (Excluding Non-controlling Interests) - $48.3

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