

Bank of America Merrill Lynch Banking and Financial Services Conference

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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, 2010 ("Annual Report on Form 10-K"), the Company's Quarterly Reports 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.

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Firm Strategy and Focus

Actions Taken

Strengthened capitalization



Enhanced liquidity



Diversified funding



Streamlined, refocused business model



Reinvigorated core businesses



Significant Momentum in Sales & Trading...

Fixed Income

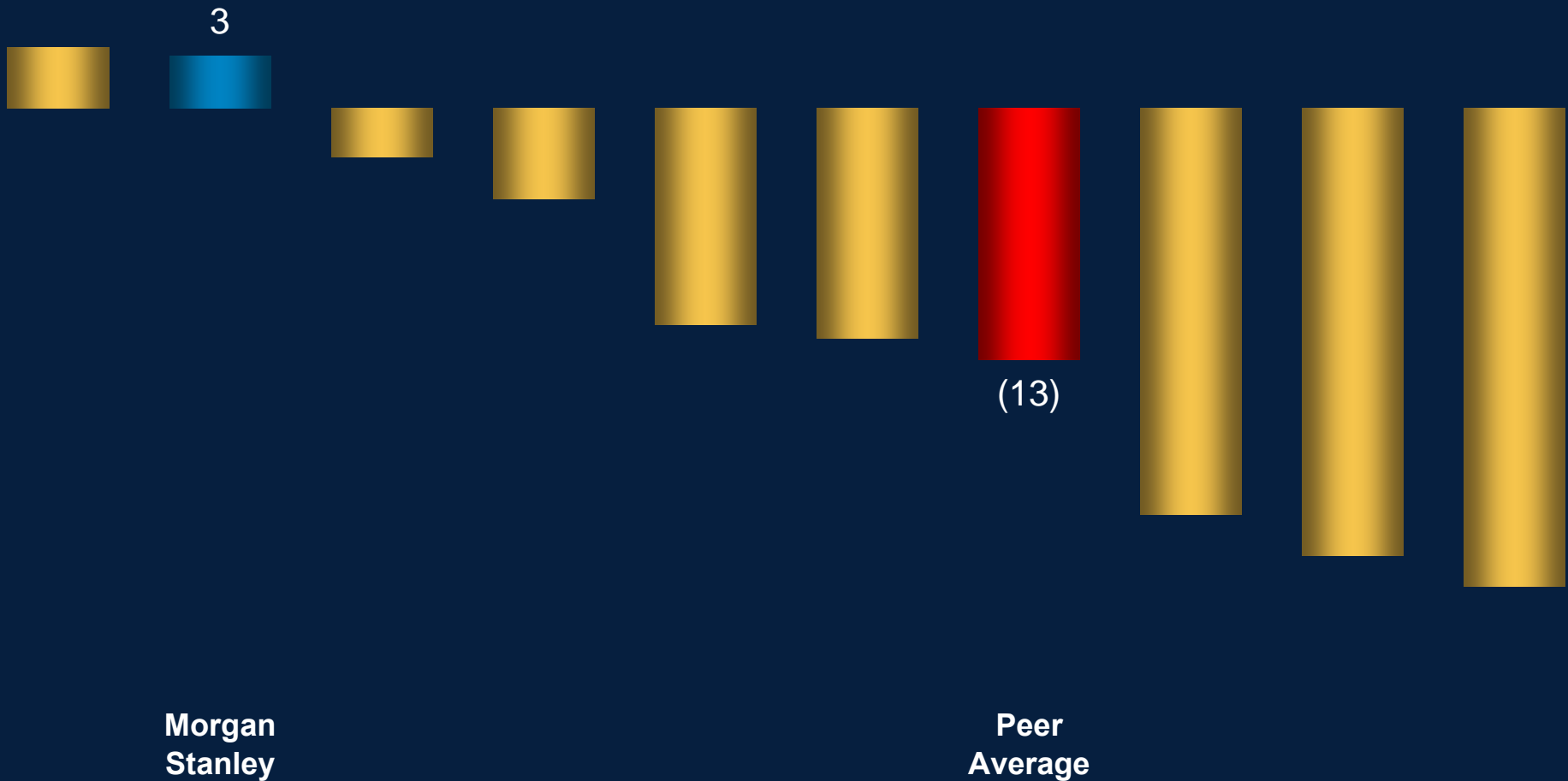
- Investments in flow businesses yielding positive results
- Improving client dialogue and penetration...
 - Senior Relationship Management and Priority Account initiatives
- ...driving share gains across geographies and products
 - Greenwich Associates surveys indicate more share gain than any other dealer vs. 2010

Equities

- Sustained market share gains in cash equities across geographies
- Significant growth in derivatives
- Continued growth in electronic trading platform
- A market leader in prime services

...Resulting in Substantial Share Gains in Fixed Income and Equity Sales & Trading

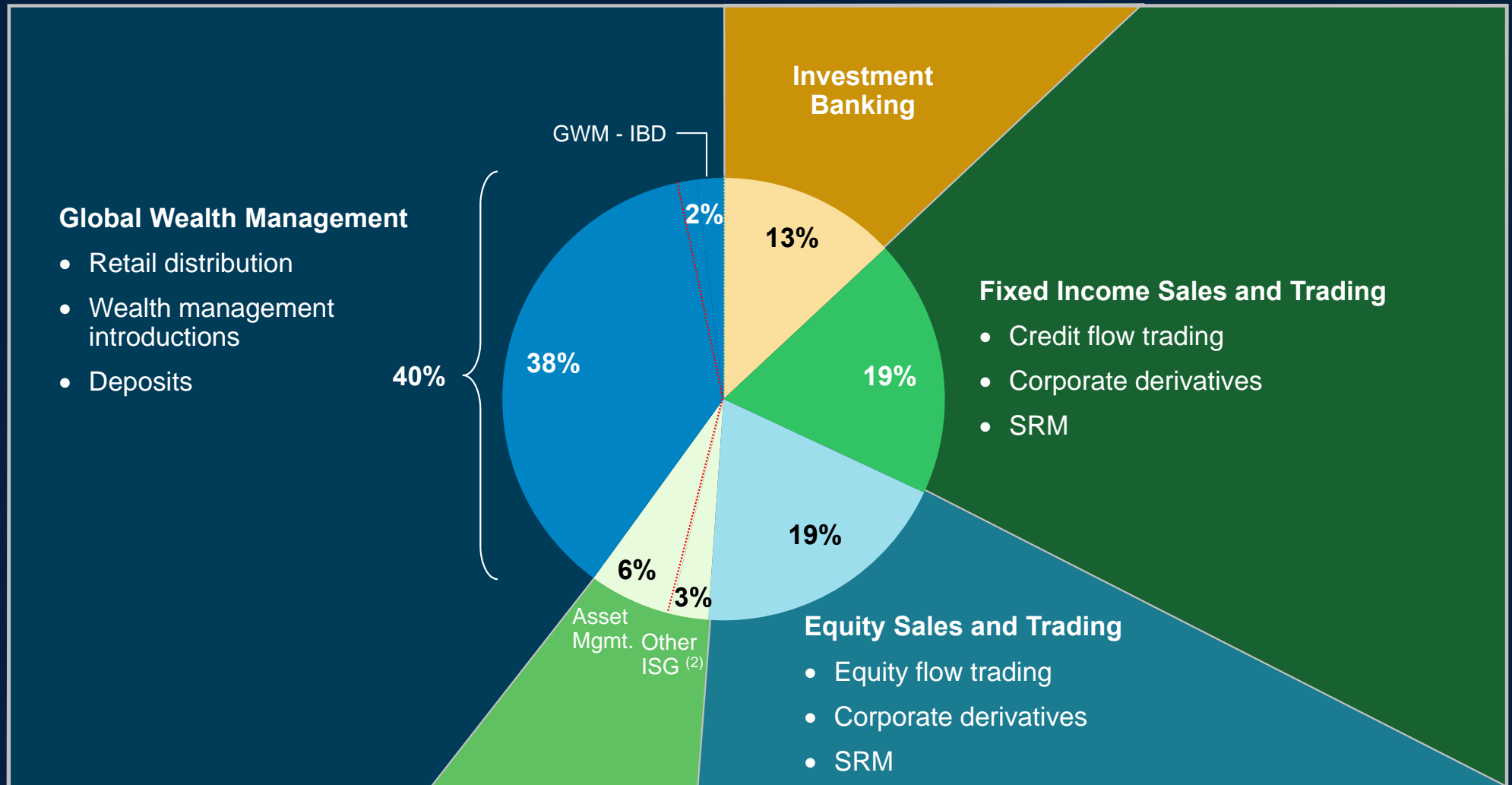
Fixed Income and Equity Sales & Trading Ex-DVA Revenue Growth ⁽¹⁾
 3Q11 YTD vs. 3Q10 YTD
 (%)



Source:
 Company SEC Filings and Earnings Release Supplement
 (1) Ex-DVA Revenue is a non-GAAP financial measure that the Firm considers to be a useful measure that the Firm and investors use to assess operating performance. On a reported (GAAP) basis, MS Equity and Fixed Income Sales and Trading revenues increased 37% 3Q11 YTD vs. 3Q10 YTD. This compares with about 9% decline for the peers during the same time period

Investment Banking “Multiplier Effect”

2011 YTD Revenue Contribution ⁽¹⁾



Source:

Company SEC Filings

- (1) Excludes DVA, Other Sales and Trading, intersegment eliminations and MUMSS loss in 1Q11. Ex-DVA Revenue is a non-GAAP financial measure that the Firm considers to be a useful measure that the Firm and investors use to assess operating performance. On a reported (GAAP) basis but excluding Other Sales and Trading, intersegment eliminations and MUMSS loss in 1Q11, revenue split would be 12% for Investment Banking, 27% for Fixed Income Sales & Trading, 19% for Equity Sales & Trading, 2% for Other ISG, 5% for Asset Management and 35% for GWM
- (2) Represents the total of investments and other revenues for Institutional Securities

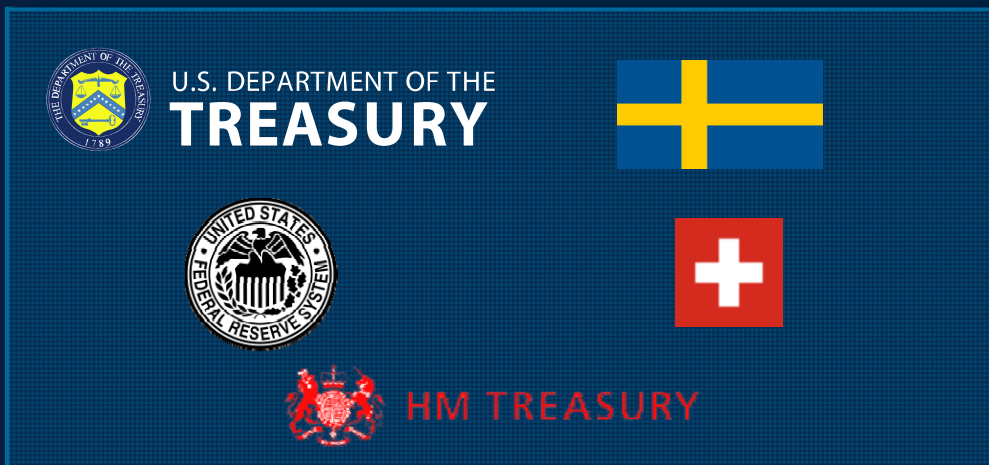
Premier Investment Banking Franchise

- **Consistent Leader in Global M&A**
 - #1 in Global Announced M&A in 2009 and 2010
 - #1 in Global Completed M&A in 2011 YTD
- **Leading Equity and IPO Franchise**
 - #1 in Global Equity and Equity-Linked since 2010 ⁽¹⁾
 - #1 in IPOs since 2010
- **Enhanced Fixed Income Underwriting Franchise**
 - Highest reported six-month Fixed Income Underwriting revenues 1H2011
 - Significantly expanded Leveraged & Acquisition Finance capabilities

Selected to Lead Important, Transformative Events



Morgan Stanley



Morgan Stanley

Investment Banking Revenues Have Outpaced Volumes

	3Q11 vs. 3Q10 (% Δ)		3Q11 YTD vs. 3Q10 YTD (% Δ)	
	Market Volumes	Morgan Stanley Revenue	Market Volumes	Morgan Stanley Revenue
Advisory	6% ⁽¹⁾	11%	33% ⁽¹⁾	35%
Equity Underwriting	(45)	(8)	7	19
Debt Underwriting	(47)	(44)	1	7

Relative Outperformance and Absolute Share Gains

IBD Market Share (%) 3Q11 YTD vs. FY 2008

Industry Share
Declines ⁽¹⁾

Morgan Stanley
Share Gains

M&A – Announced

(5.3)

+ 2.4

M&A – Completed

(3.4)

+ 8.8

Equity and Equity-Linked ⁽²⁾

(0.1)

+ 0.3

Equity IPOs

(1.0)

+ 2.7

Source: Thomson Reuters

(1) Decline in market share of #1 ranked firm

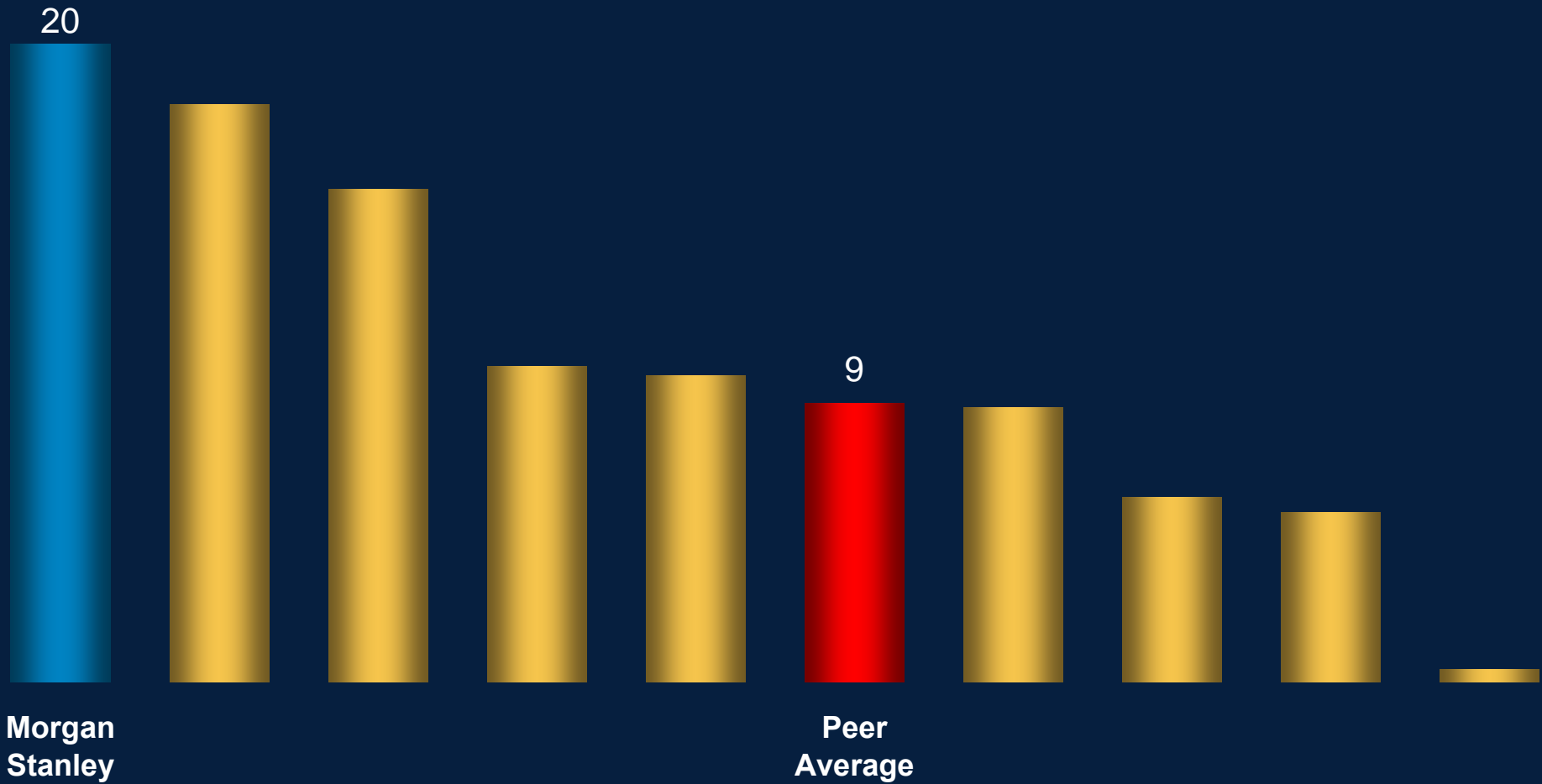
(2) Includes Rights and Excludes Self-Issuance

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Significant YoY Wallet Share Gains in Investment Banking

3Q11 YTD vs. 3Q10 YTD

(%)



Building the Franchise: Strategic Investments

1

“Recent” Investments

- Footprint expansion
 - Talent additions
 - Subsector build-outs
- Enhanced and expanded client solutions

2

Long-standing Investments

- Globalization
 - Established a presence in numerous markets in key growth regions
 - Built leading emerging market franchises

Building the Franchise: Strategic Investments

1

“Recent” Investments

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“Recent” Strategic Franchise Investments

Key Investments Since the Financial Crisis

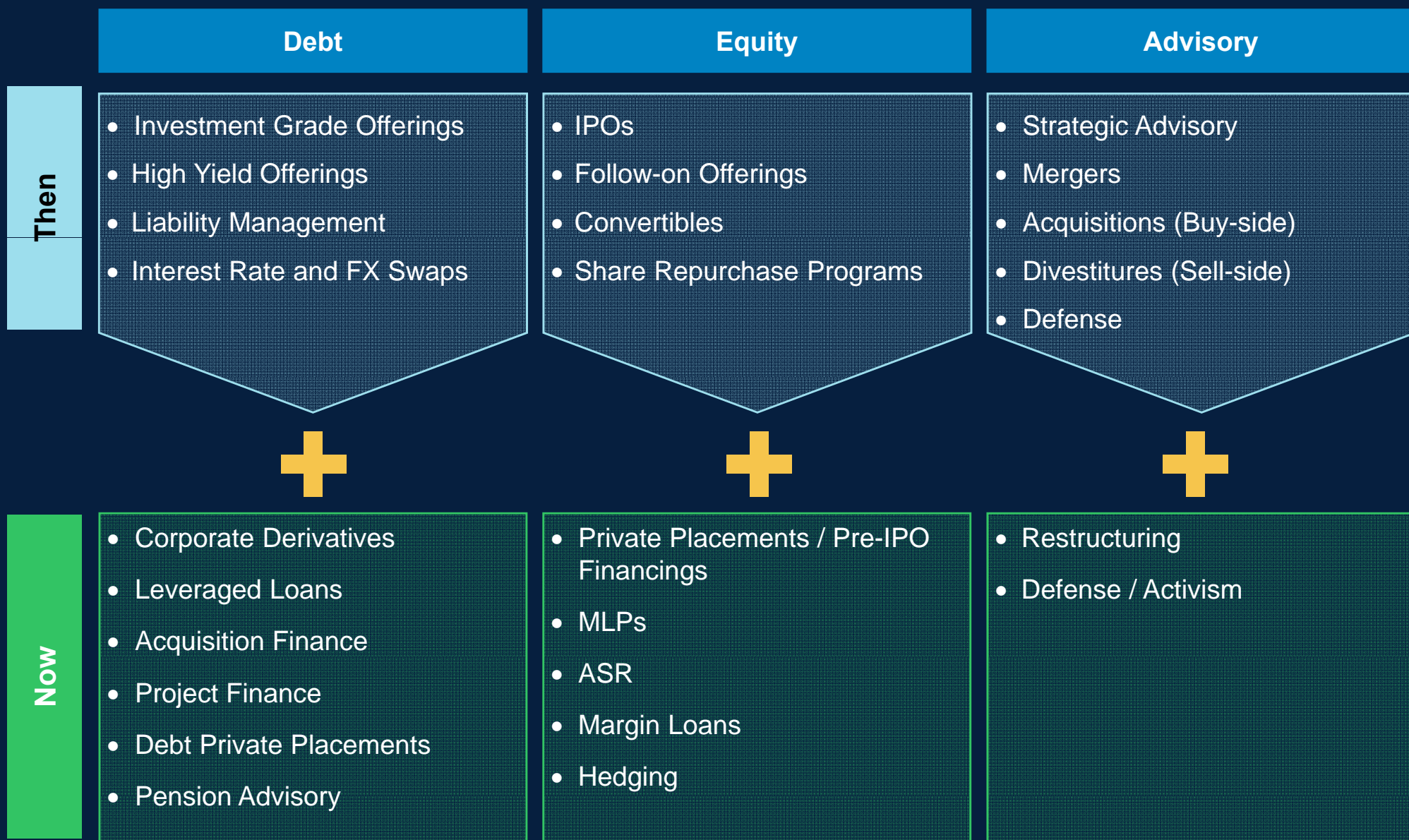
- **Expanded client footprint**
 - Cover more clients than 5 years ago
- **Filled “White Space” through strategic hires**
 - Filled footprint gaps in key products, geographies, and industry segments
- **Continued investment in leading industry verticals**

Continued Reinvestment in Leading Industry Verticals

- Morgan Stanley has premier franchises where most of the fastest growing companies are: Technology and Healthcare ⁽¹⁾



Expanded Client Solutions – Then and Now



Building the Franchise: Strategic Investments

1

“Recent” Investments

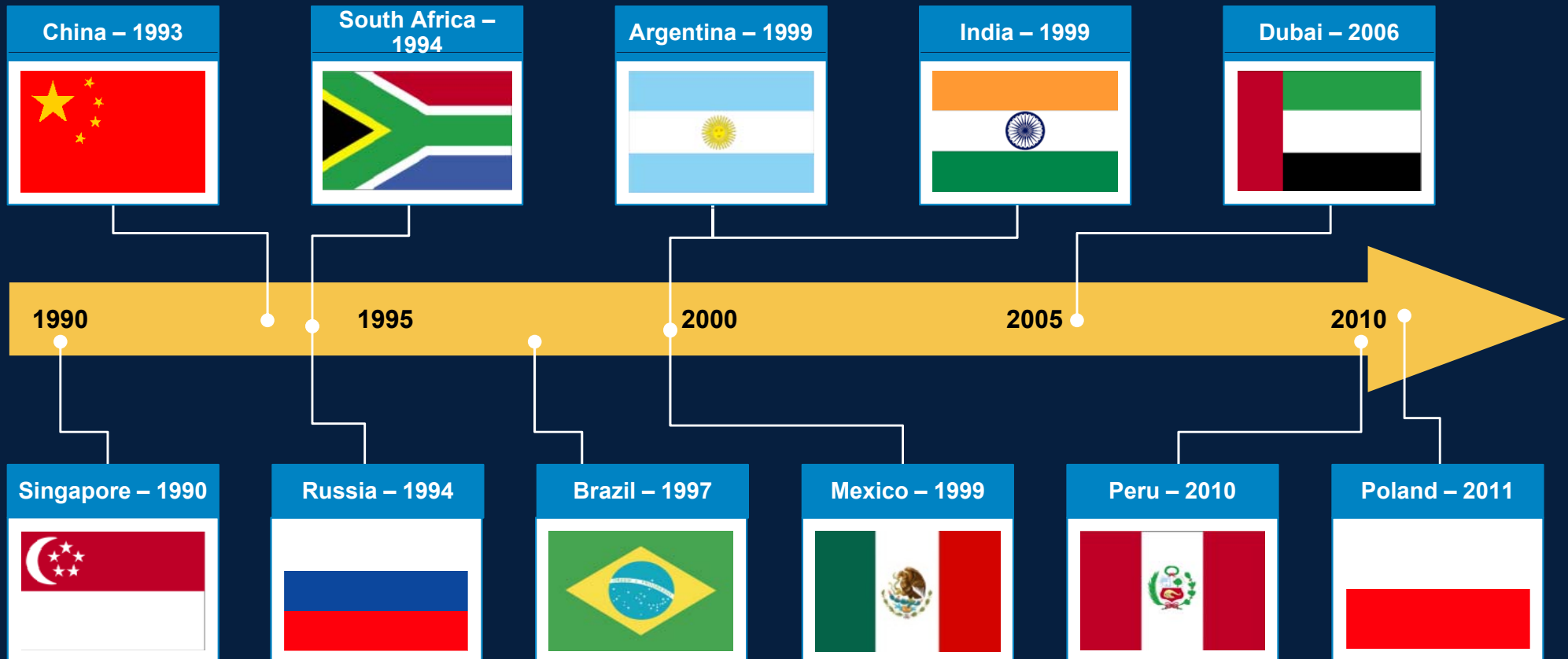
- Footprint expansion
 - Talent additions
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- Enhanced and expanded client solutions

2

Long-standing Investments

- Globalization
 - Established a presence in numerous markets in key growth regions
 - Built leading emerging market franchises

Early Investments in Key Growth Regions



49% of Institutional Securities Revenue Now Comes From Outside the Americas ⁽¹⁾

Source: Company data

(1) 2011 YTD as of September 30, 2011. Excludes DVA and MUMSS loss in 1Q11. Ex-DVA Revenue is a non-GAAP financial measure that the Firm considers to be a useful measure that the Firm and investors use to assess operating performance. On a reported (GAAP) basis but excluding MUMSS loss in 1Q11, 49% of Institutional Securities Revenues came from outside the Americas

Expanded Footprint in Key Growth Regions

Largest International Headcount Investments ⁽¹⁾

Brazil



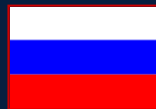
China



India



Russia



BRIC Countries

Australia



Mexico



Singapore



UAE

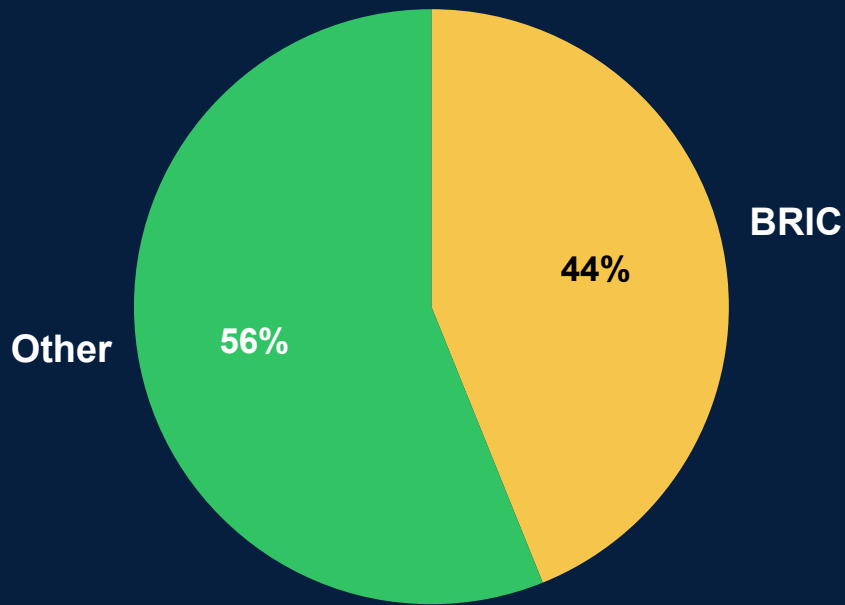


Other Strategic Geographies

BRIC – An Important Growth Driver

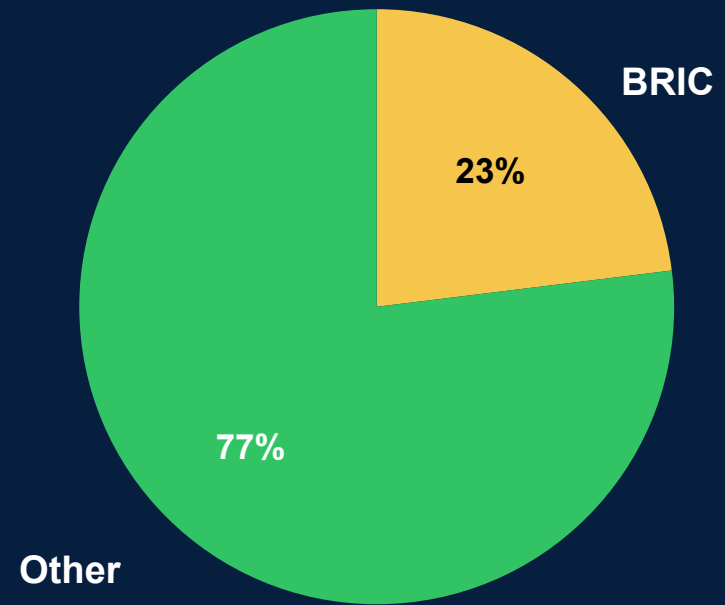
International Cross Border Flows

2010 – 2011 YTD



Non-U.S. Global Equity Issuance

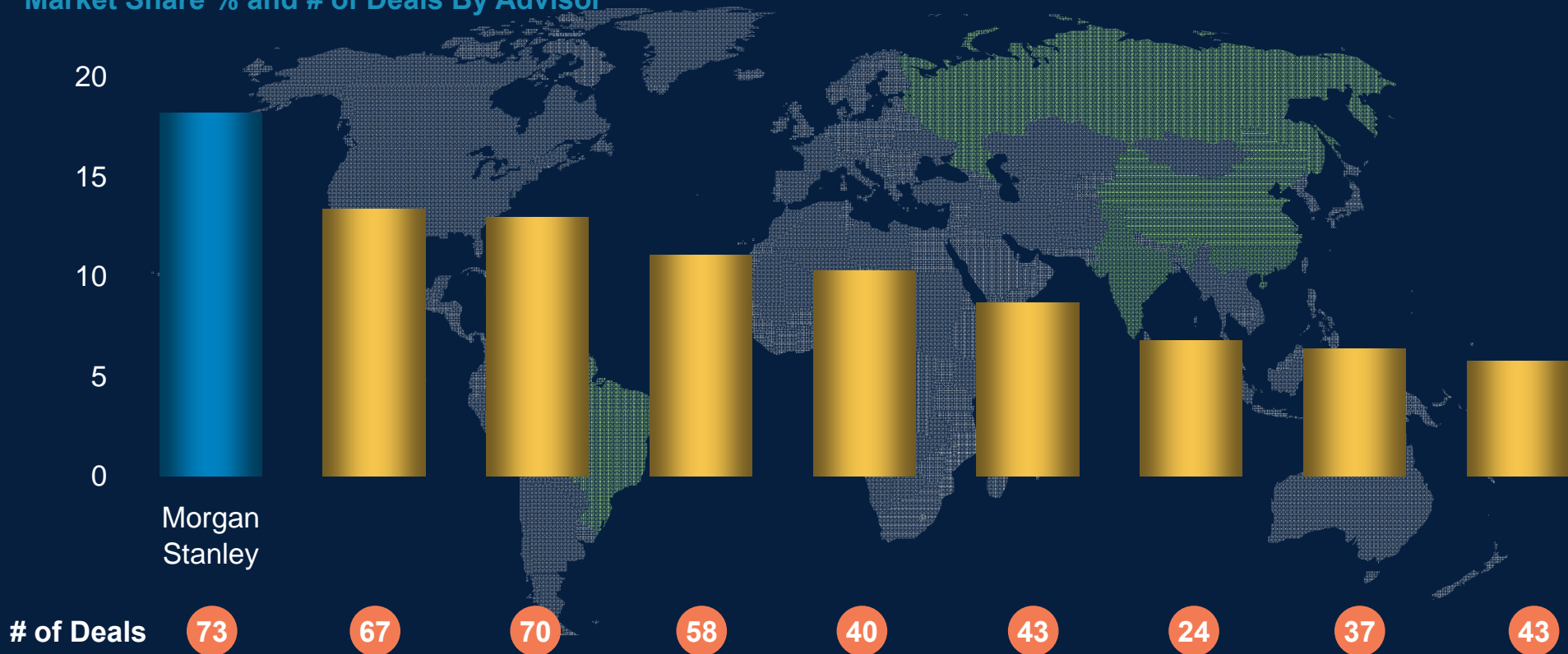
2010 – 2011 YTD



Morgan Stanley is the Leading BRIC M&A Advisor...

BRIC M&A Market Share (1)

Market Share % and # of Deals By Advisor



...and the Leading BRIC Equity Underwriter

BRIC Equity Market Share ⁽¹⁾

Market Share % and # of Deals by Underwriter



MUFG / Morgan Stanley Strategic Partnership

- Morgan Stanley forged a strategic partnership with Mitsubishi UFJ Financial Group (“MUFG”) in the Fall of 2008
- MUFG has invested \$9.5Bn in Morgan Stanley
 - 22.4% common shareholder
 - Two representatives on the Board
- Strong partnership across institutional businesses

Initiatives include:

- Japan JV
- Business Referral Agreements
- Morgan Stanley / BTMU Loan Marketing JV

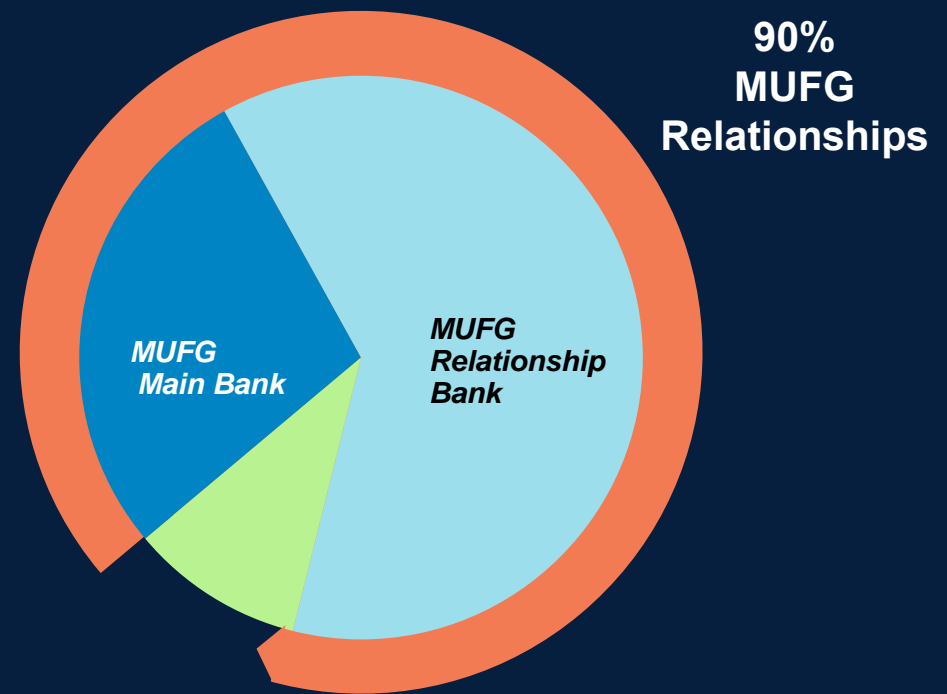
BTMU / Morgan Stanley Loan Marketing Joint Venture

- MUFG is the second largest deposit-gathering institution in the world ⁽¹⁾
- Bank of Tokyo Mitsubishi UFJ (“BTMU”), a subsidiary of MUFG, and Morgan Stanley entered into a loan marketing JV in the Americas in June 2009
- On a combined basis, BTMU and Morgan Stanley constitute one of the largest lenders to major U.S. corporations with total loan commitments in excess of \$100Bn
- Beyond our successful U.S. collaboration, Morgan Stanley and BTMU continue to find ways to work together outside the Americas

Differentiated Corporate Access in Japan

- Japanese cross-border flows are likely to increase significantly, given the strengthening Yen
- Our Joint Venture with MUFG provides us with differentiated access to the largest Japanese corporates

Relationships with Largest Japanese Companies ⁽¹⁾ ⁽²⁾



Source: Company data

- (1) Top 500 Japanese companies by market capitalization;
- (2) MUFG Group includes BTMU, MUMSS, MSMS and MUTB

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Franchise Well-Positioned to Capitalize On Macro Trends

1 Globalization / Cross-border

2 Deleveraging / Equitization

3 Shift From Bank to Bond Funding

4 Restructuring / Recapitalizations

5 Technological Innovation

Summary

- **Premier Investment Banking Franchise**
- **Enhanced success due to long range investment**
- **Additional wallet and market share opportunities remain**
- **Strategically well-positioned to capture future flows**
- **“Multiplier Effect” will continue to feed other Firm businesses**

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