

Morgan Stanley

Barclays Global Financial Services Conference

Jonathan Pruzan, Chief Financial Officer & Executive Vice President

September 11, 2019

Notice

The information provided herein includes certain non-GAAP financial measures. The definition of such measures and/or the reconciliation of such measures to the comparable U.S. GAAP figures are included in this presentation, or in the Company's Annual Report on Form 10-K, Definitive Proxy Statement, Quarterly Reports on Form 10-Q and the Company's Current Reports on Form 8-K, as applicable, including any amendments thereto, which are available on www.morganstanley.com.

This presentation may contain forward-looking statements including the attainment of certain financial and other targets, and objectives and goals. 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, assumptions, interpretation or beliefs and which are subject to risks and uncertainties that may cause actual results to differ materially. The Company does not undertake to update the forward-looking statements to reflect the impact of circumstances or events that may arise after the date of forward-looking statements. For a discussion of risks and uncertainties that may affect the future results of the Company, please see the Company's most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, as applicable, which are available on www.morganstanley.com. This presentation is not an offer to buy or sell any security.

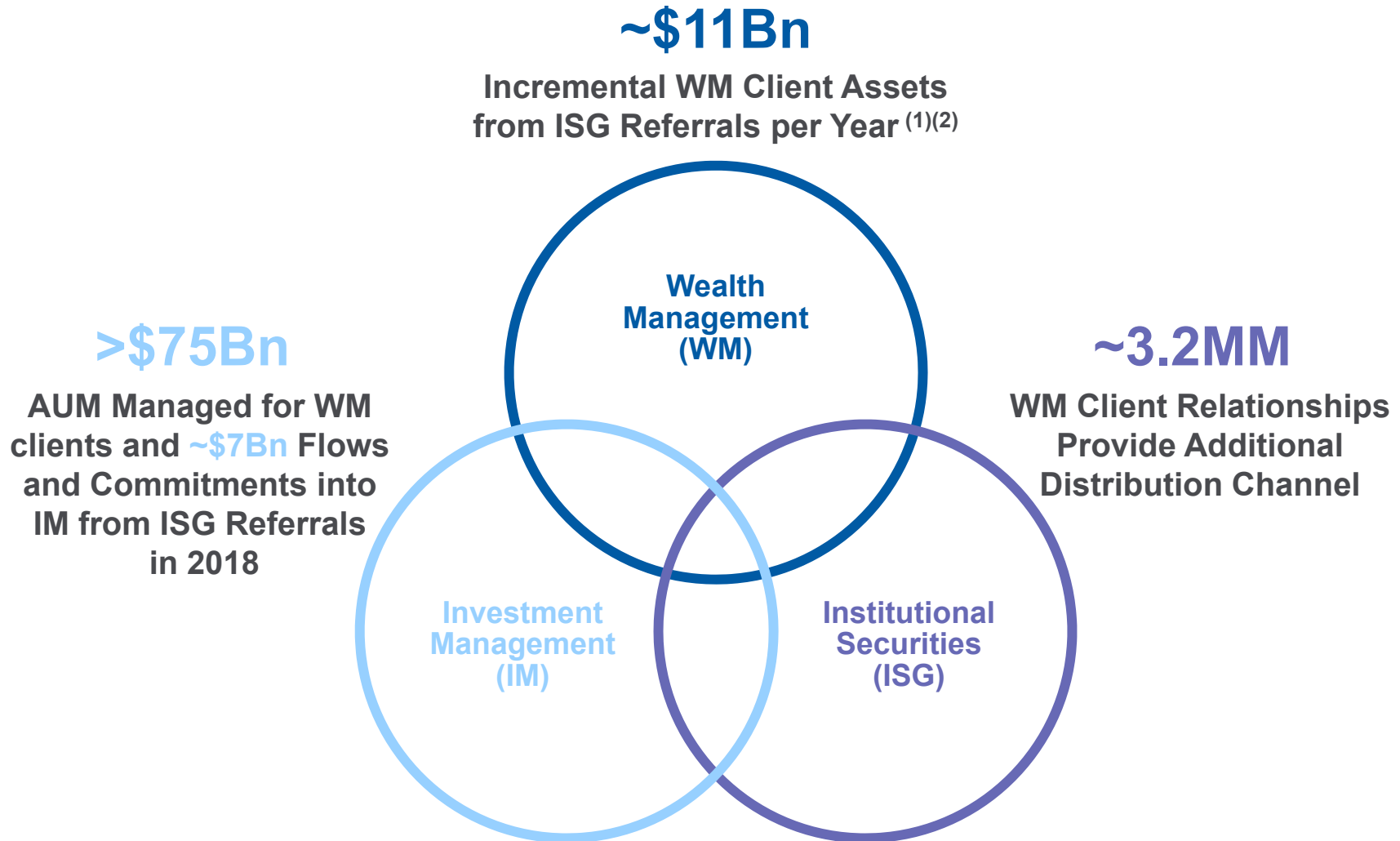
The End Notes are an integral part of this Presentation. See slides 17-20 at the back of this presentation for information related to the financial metrics and defined terms in this presentation.

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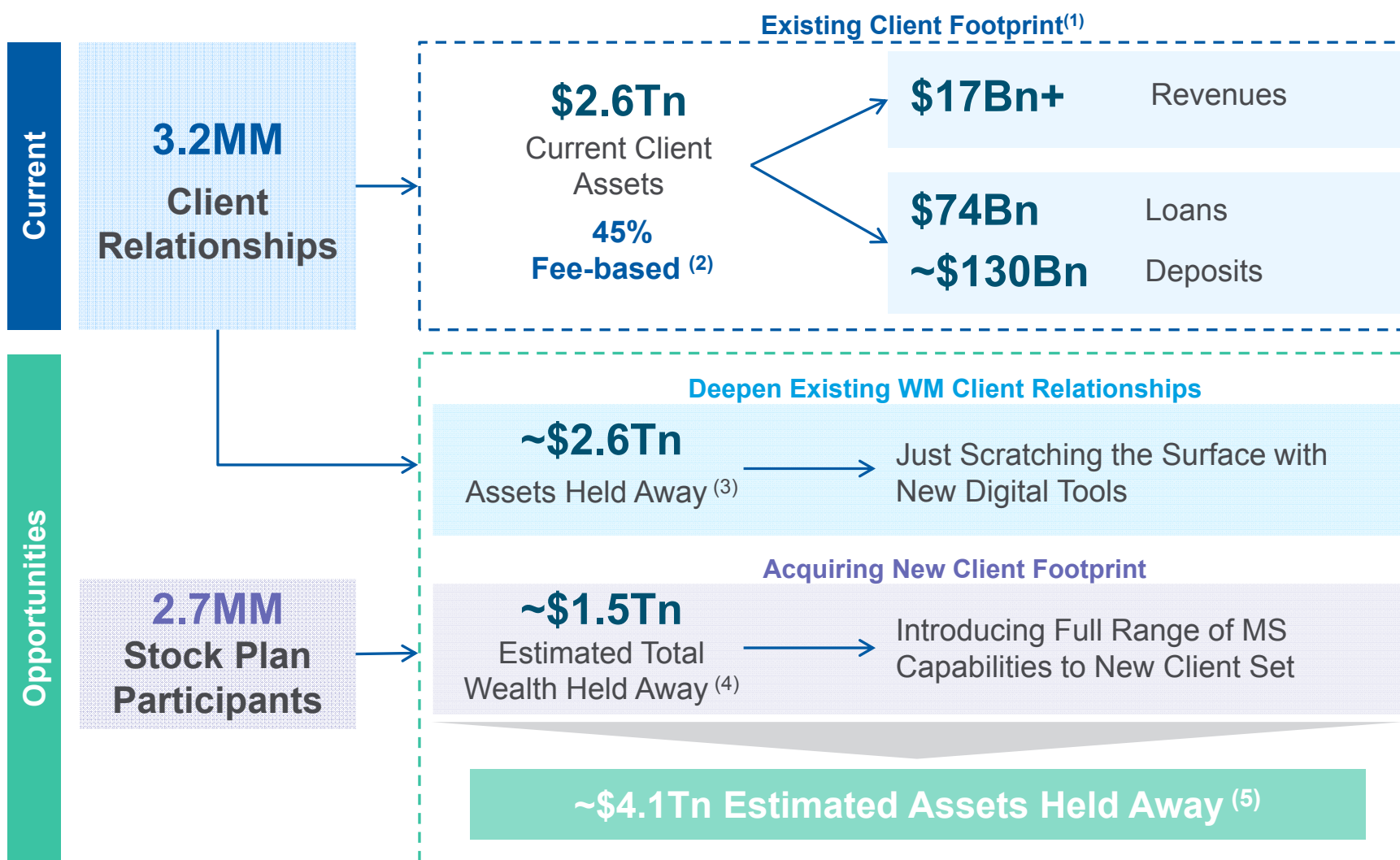
Executing Growth Initiatives and Enhancing Stability Across the Firm



Delivering One Firm to Clients through Cross Divisional Collaboration



1 Wealth Management: Sizing the Opportunity



1 Focusing on Existing Client Footprint

Modern Wealth
Management



~\$2.6Tn

Asset Consolidation Opportunity⁽¹⁾

Asset Aggregation

>\$60Bn *Visible external client assets since aggregation tool launch⁽²⁾*

Goals Based Planning

>125% *Increase in clients with financial plan⁽³⁾*

Next Best Action (NBA)

~10MM *NBAs Sent by Advisors since introduction⁽⁴⁾*

Risk Analytics

Fully integrated in the advisor platform and providing real-time risk analytics

Digital Tools for Enhanced Service

~50% *Increase in Mobile adoption since 2017⁽⁵⁾*

1 Workplace Opportunity is Off to a Strong Start – Winning and Servicing New Corporate Clients

**Differentiated
Workplace
Offering –
Leading
Technology and
Wealth
Management**

>200

**New Clients Added Since
Acquisition**

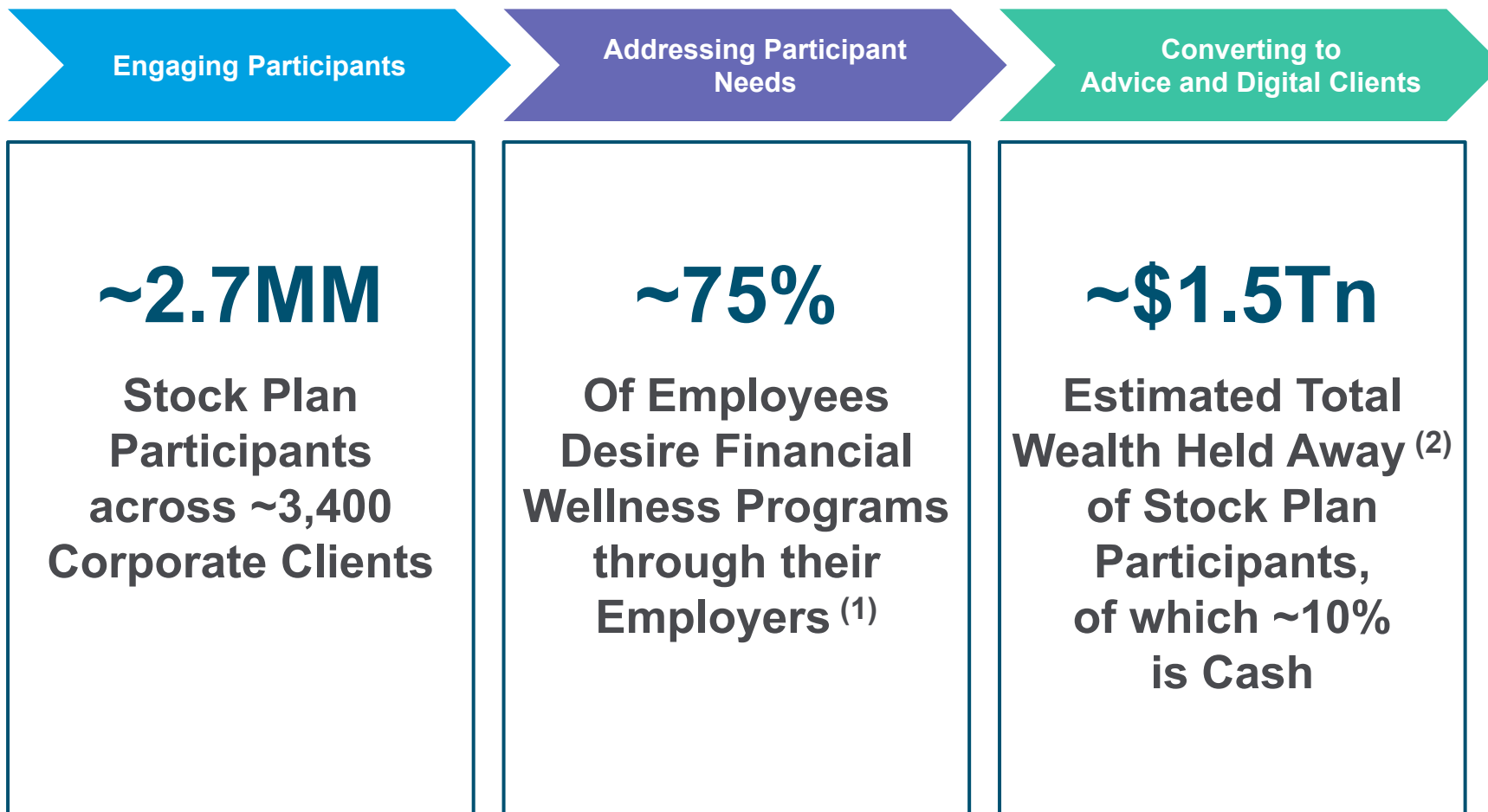
~20%

**Increase in New U.S. Public
Stock Plan Wins ⁽¹⁾**

25%

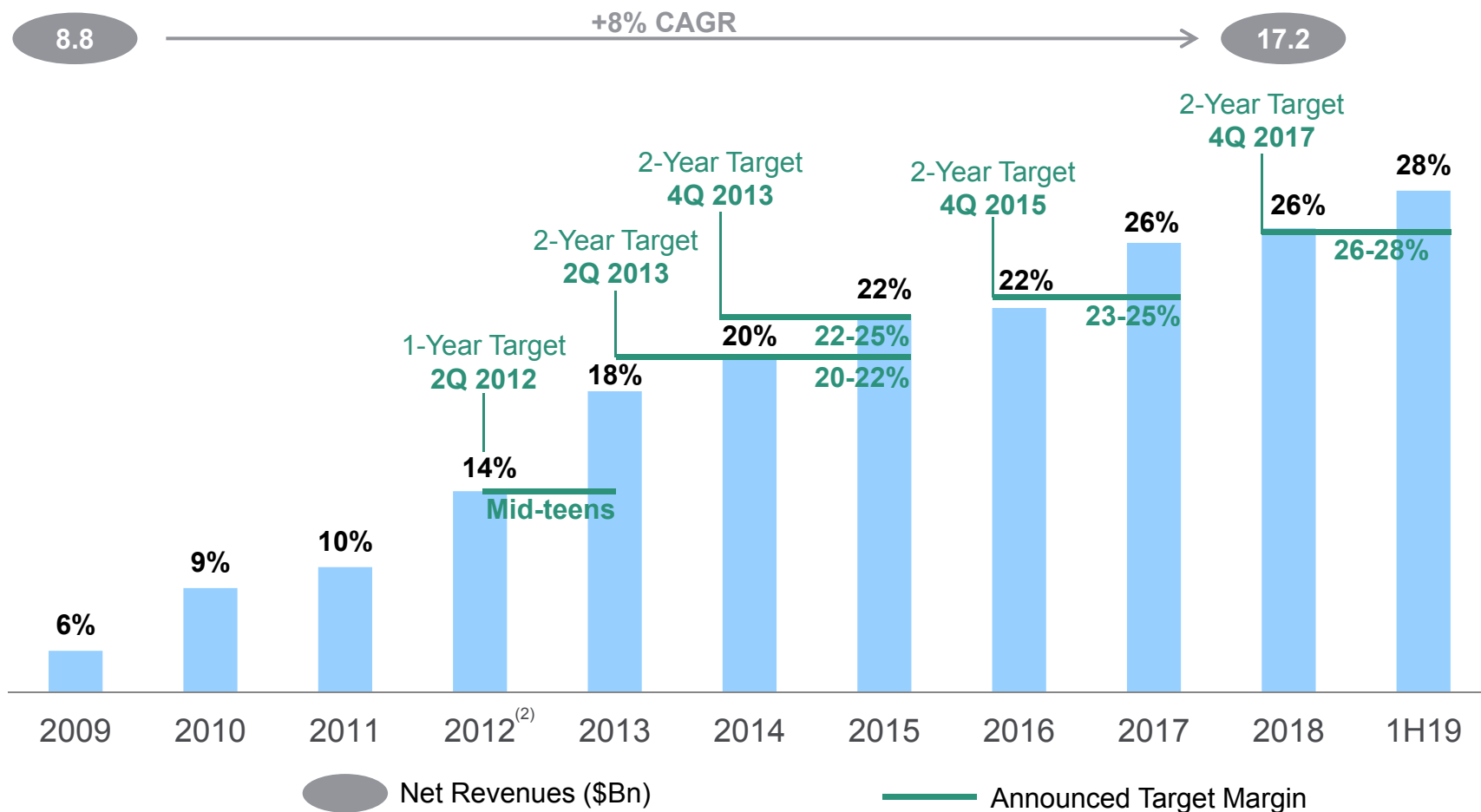
**of Legacy MS Plans Migrated
to Date; Remainder Scheduled
by 2020 Year End**

1 Working to Convert Corporate Participants to Advice and Digital Clients



1 Each Incremental Dollar of Revenue Comes in at a Higher Margin

Wealth Management Pre-Tax Margin⁽¹⁾
(%)

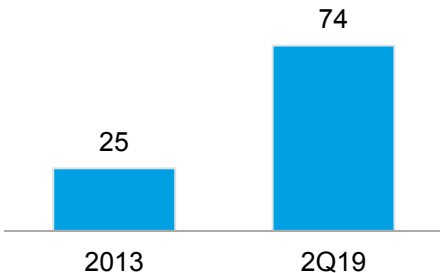


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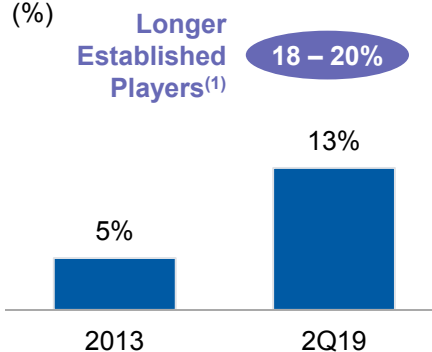
2 U.S. Banks: Continued Lending Growth with Diversified, Secured High Quality Loans

Deepening Lending Penetration with Target Wealth Clients

WM Bank Lending (\$Bn)

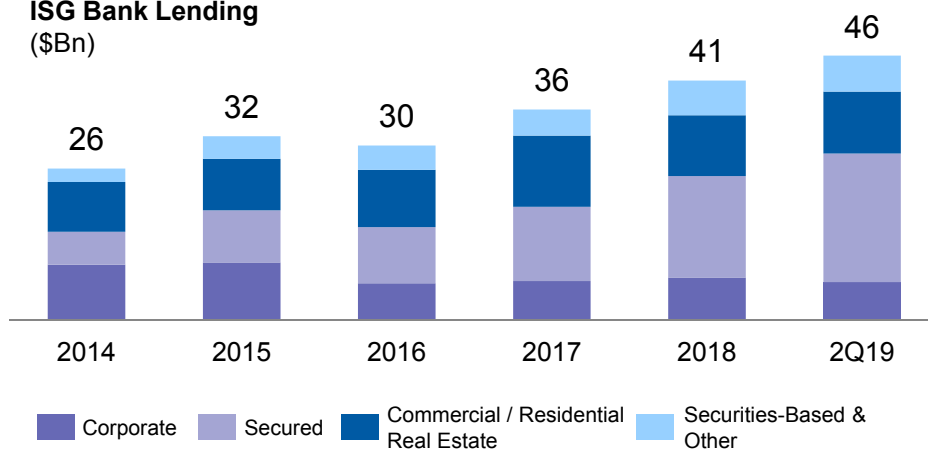


WM Household Loan Penetration (%)



Measured Growth in ISG Lending

ISG Bank Lending (\$Bn)



High Quality U.S. Bank Portfolio⁽²⁾

Secured Loan Portfolio

~95%
of total loans⁽³⁾

- Mortgage: 63% LTV, FICO >762
- Securities Based Lending: 42% LTV

Net Charge-offs

~0.01%
of average loans⁽⁴⁾

Non-Performing Loans

~0.5%
of total loans⁽⁵⁾

Loan Loss Reserves

~14x
of LTM Net Charge-offs⁽⁶⁾

3 Investment Management: Global Capabilities, Scaled Alternatives and Differentiated Solutions Driving Growth

Exceptional Performance And Strong Organic Growth	Diverse Alternatives Client Franchise	Differentiated Multi-Asset Solutions
<p>#1 Active Equities Net Flows % Since 2017 ⁽¹⁾⁽²⁾</p>	<p>~\$100Bn Client Capital in Alternatives ⁽⁴⁾</p>	<p>~\$40Bn AUM in Solutions-Based Investing Delivered to Global Clients ⁽⁶⁾</p>
<p>Top 1 Percentile Fund Performance In 6 Active Equity Funds, 3 year ⁽²⁾⁽³⁾</p>	<p>~\$15Bn Capital Raised in Alternatives since the beginning of 2018</p>	<p>~\$5Bn In Client Partnership Multi-Asset Mandates, Last 6 months</p>
<p>>60% Gross Sales Outside U.S. Through Established Global Footprint Across Products</p>	<p>~\$50Bn Client Capital in Premier Private Real Assets Client Franchise ⁽⁴⁾⁽⁵⁾</p>	<p>Executing Globally Across Both Institutional and Wealth</p>

LTM ⁽⁷⁾ Revenues Up ~\$900MM Since FY2016, >40% Growth

3 Growth in Attractive Strategies

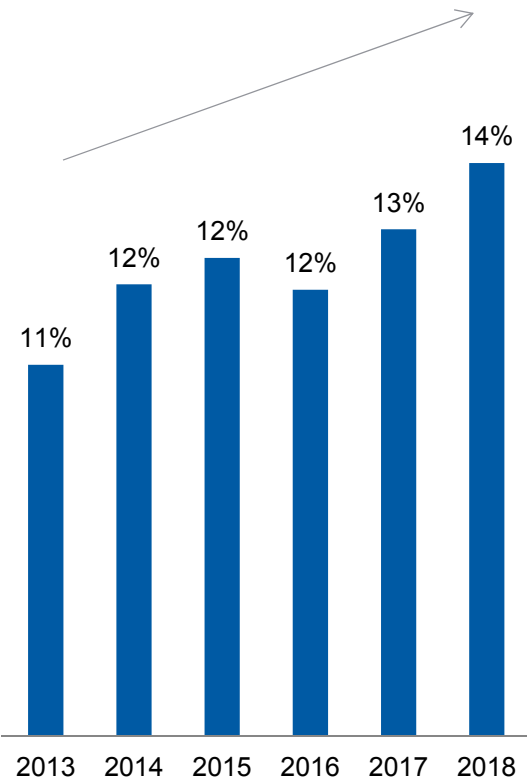
	AUM (\$Bn)		
	2015	6/30/2019	Growth
Liquidity ⁽¹⁾	122	159	31%
Private Real Assets ⁽²⁾	26	39	51%
Solutions Based Investing ⁽³⁾	26	41	55%
Active Fundamental Equity ⁽⁴⁾	83	128	54%

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4 Institutional Securities: Leadership in Core Businesses (1)(2)(3)

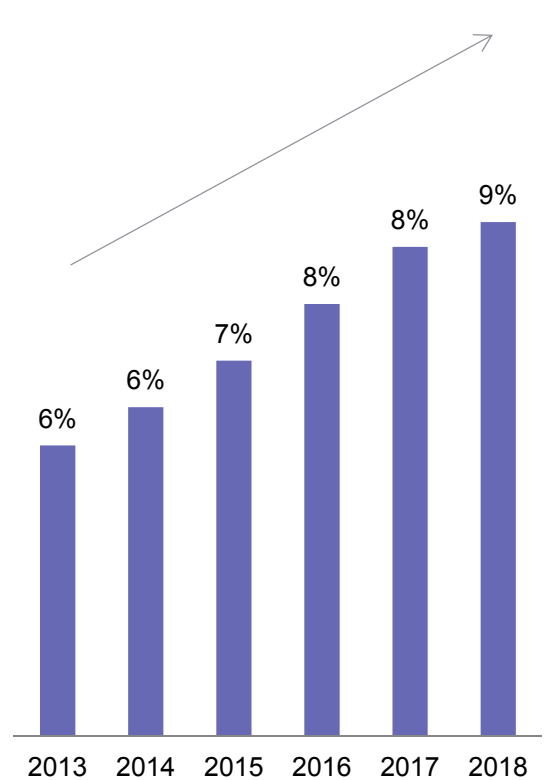
Investment Banking

Wallet Share (%)



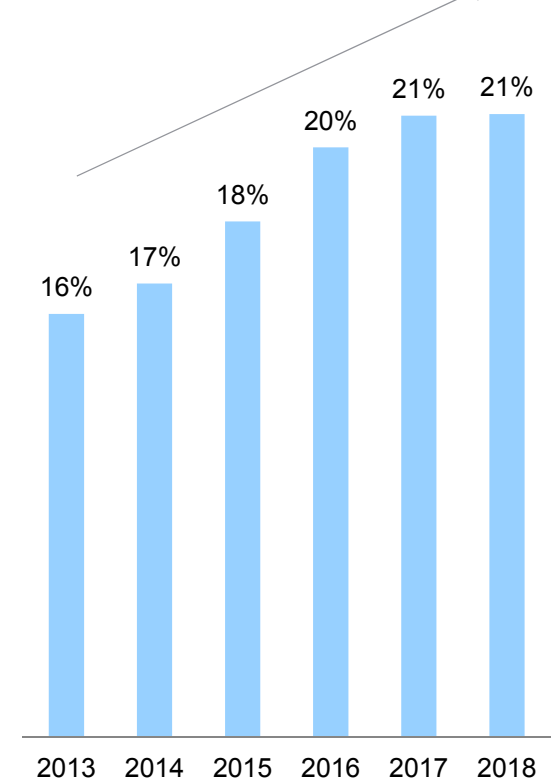
Fixed Income Sales & Trading⁽⁴⁾

Wallet Share, ex DVA (%)

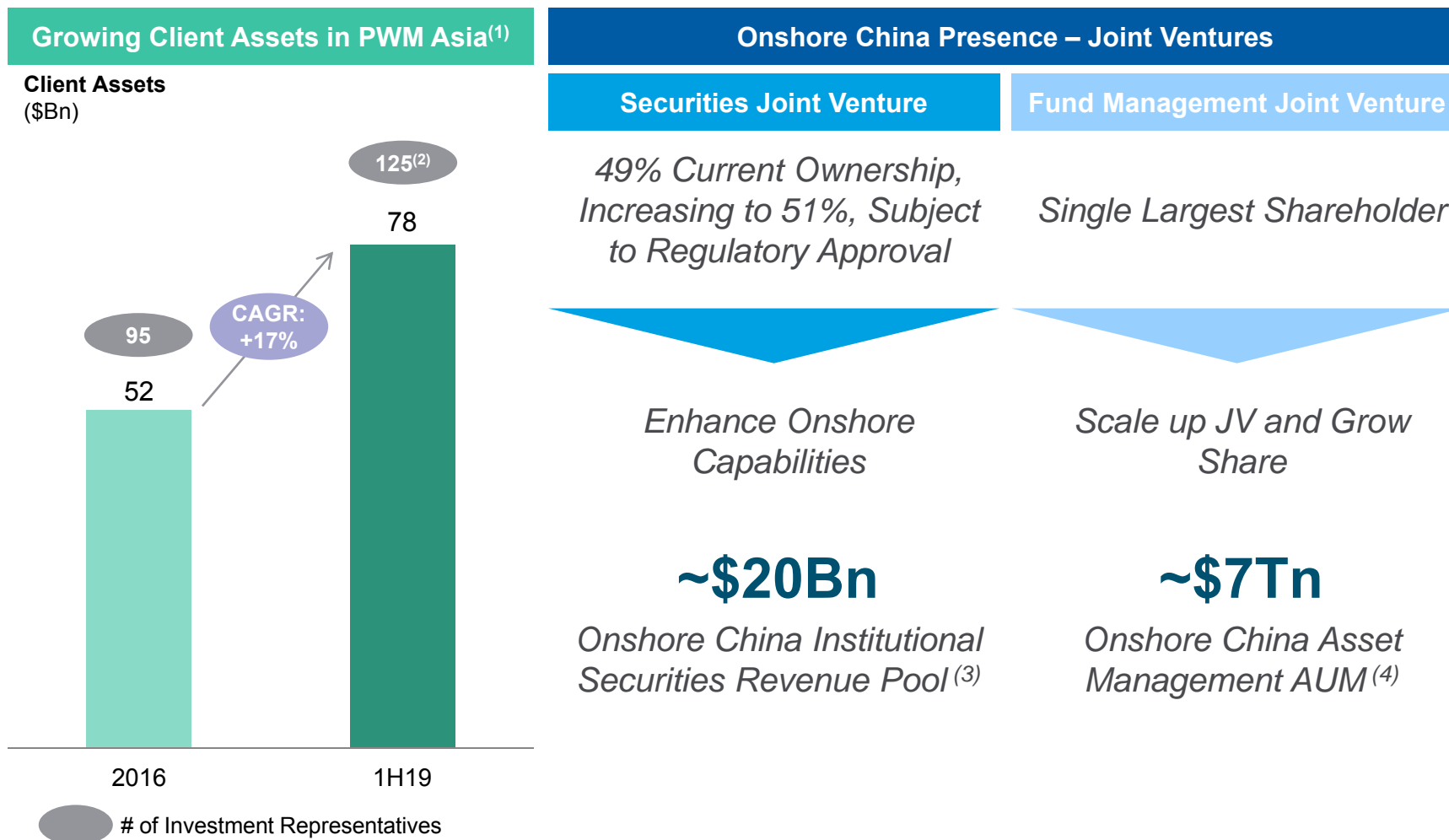


Equity Sales & Trading⁽⁵⁾

Wallet Share, ex DVA (%)



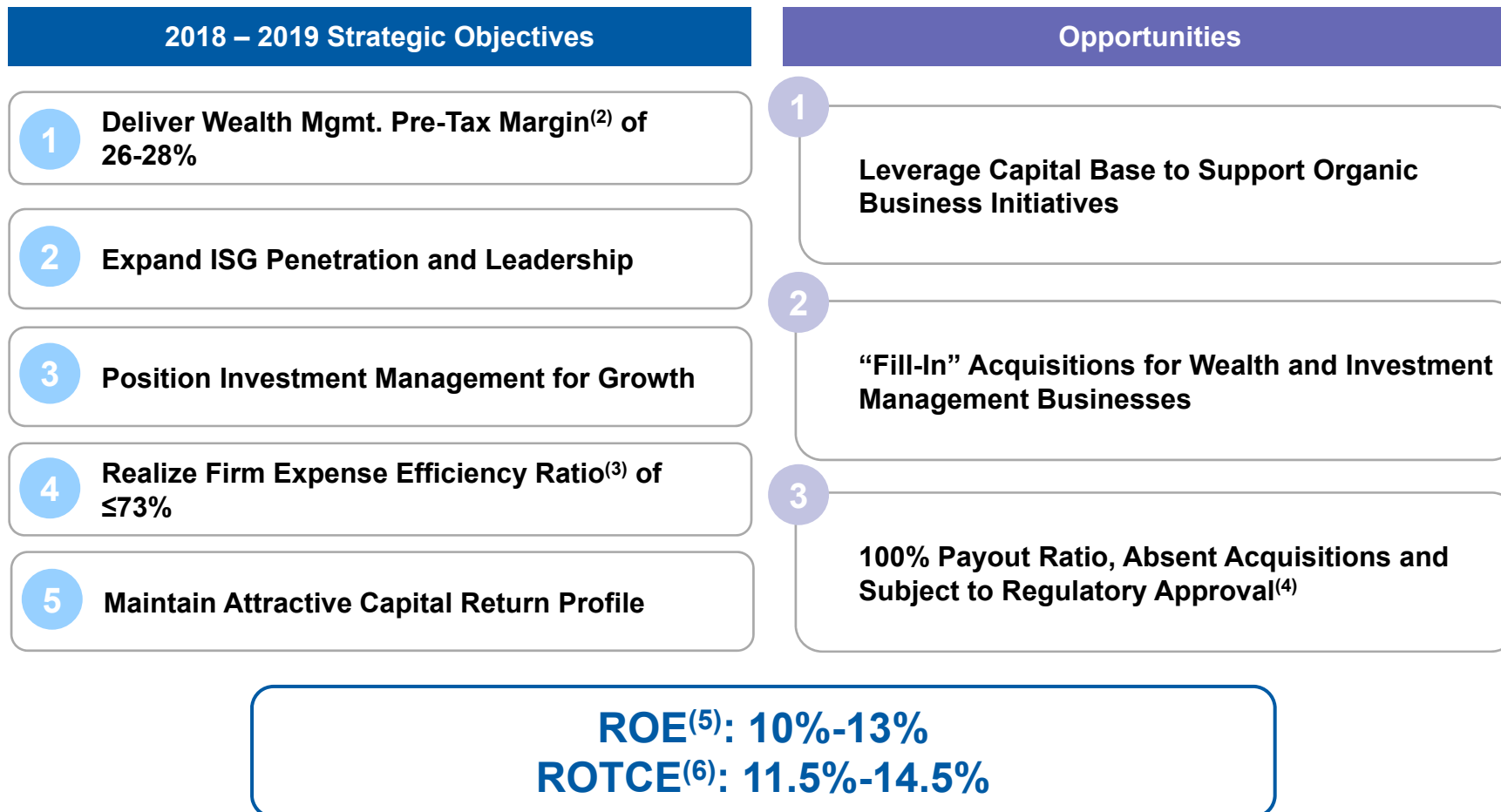
Deepen Presence in Asia Region Across the Firm



2019 1st Half Highlights

- 1 Increased our Quarterly Dividend for 6th Consecutive Year
- 2 Increased Share Repurchase Plan to \$6Bn, Representing ~100% Total Payout Ratio
- 3 Delivered Wealth Management Pre-Tax Margin ⁽¹⁾ at the Top Half of Target
- 4 Completed Solium Acquisition and Executing Integration Plan
- 5 Delivering Strong Performance in Equities and IBD – #1 IED and #1 Global Equity Underwriting ⁽²⁾
- 6 Continuing to Meet Fixed Income Goals – and Increasing Share
- 7 Increased Investment Management LTM ⁽³⁾ Revenues ~\$900MM Since FY2016
- 8 Achieved #1 Active Equities Net Flows in Investment Management ⁽⁴⁾
- 9 Delivered Expense Efficiency Ratio ⁽⁵⁾ Below our 73% Target
- 10 Maintaining Continued Stability through Successful Leadership Transition

Strategic Objectives⁽¹⁾



End Notes

These notes refer to the financial metrics and/or defined term presented on Slide 3

1. U.S. Bank represents the Firm's U.S. Bank operating subsidiaries, Morgan Stanley Bank, N.A. and Morgan Stanley Private Bank, National Association. We provide loans to a variety of clients and customers primarily through our U.S. Bank

These notes refer to the financial metrics and/or defined term presented on Slide 4

1. Yearly average over five year period from 2014 through 2018
2. Includes Individual Wealth Management, Loans, Stock Plan and Corporate Services

These notes refer to the financial metrics and/or defined term presented on Slide 5

1. Revenues are full-year 2018 and current client assets, loans and deposits are as of June 30, 2019
2. Wealth Management fee-based client account assets represent the amount of assets in client accounts where the basis of payment for services is a fee calculated on those assets as of June 30, 2018
3. \$2.6Tn asset consolidation opportunity per IXI as of December 2018
4. \$1.5Tn represents total wealth held away of total participants, which includes both legacy Solium and Morgan Stanley participants, and is estimated using data from IXI
5. \$4.1Tn represents the summation of ~\$2.6Tn assets held away and ~\$1.5Tn estimated total wealth held away

These notes refer to the financial metrics and/or defined term presented on Slide 6

1. \$2.6Tn asset consolidation opportunity per IXI as of December 2018
2. Total aggregated visible reported assets of clients' held-away portfolio as of August 2019
3. Increase from April 2017 to August 2019
4. Introduced in 2017
5. Increase from December 2017 to August 2019

These notes refer to the financial metrics and/or defined term presented on Slide 7

1. Represents increase in the monthly win rate for U.S. public companies with market capitalization greater than \$500MM for the ~7 month period post announcement of the acquisition compared to the 12 month period before the announcement

These notes refer to the financial metrics and/or defined term presented on Slide 8

1. Source: Employee Financial Wellness study, conducted by the Financial Health Network on behalf of Morgan Stanley
2. \$1.5Tn represents total wealth held away of total participants, which includes both Solium and Morgan Stanley participants, and is estimated using data from IXI

These notes refer to the financial metrics and/or defined term presented on Slide 9

1. Pre-Tax Margin represents income (loss) from continuing operations before taxes divided by net revenues. Pre-Tax Margin is a non-GAAP financial measure that the Firm considers useful for analysts, investors and other stakeholders to assess operating performance
2. 2012 excludes \$193MM of one-time non-interest costs associated with the Morgan Stanley Wealth Management integration and the purchase of an additional 14% stake in the joint venture

End Notes

These notes refer to the financial metrics and/or defined term presented on Slide 10

1. Longer established players represent Bank of America Wealth & Investment Management, UBS Wealth Management and Wells Fargo Advisors
2. Credit metrics as of 6/30/2019
3. Represents secured loans / total loans for the combined banks; secured loans are predominantly secured by a senior secured 1st lien supported by collateral including receivables, inventory, equipment, real estate, securities, loans or other assets
4. Represents annualized net charge-offs / average total loans and leases (including HFI & HFS) for the combined banks
5. Represents Nonperforming Loans / total loans and leases (including HFI & HFS) for the combined banks
6. Represents Total Reserves / Last Twelve Months Net Charge-off

These notes refer to the financial metrics and/or defined term presented on Slide 11

1. Net Flows is (i) in U.S. Dollars, Billions and (ii) as percentage of beginning of period AUM. Peers are based on U.S. publicly traded Asset Managers with Active Equity AUM greater than \$100Bn as of June 30, 2019: Affiliated Managers Group, Alliance Bernstein, Artisan Partners, BlackRock (active equities flows), BrightSphere, Eaton Vance, Franklin Resources, Invesco (active equities flows), Janus Henderson, Legg Mason, T. Rowe Price
2. "Active Equities" is reported under "Equity" as of June 30 for 2019 shown in Morgan Stanley's quarterly report on Form 10-Q
3. Percentile rankings with respect to relevant Morningstar category for I share class as of 6/30/2019
4. Includes client assets under management, unfunded commitments, and co-investments as of 6/30/2019
5. "Private Real Assets" is reported under "Alternative / Other" as of June 30 for 2019 shown in Morgan Stanley's quarterly report on Form 10-Q
6. "Solutions-Based Investing" is reported under "Alternative / Other" as of June 30 for 2019 shown in Morgan Stanley's quarterly report on Form 10-Q
7. LTM means last twelve months as of 6/30/2019

These notes refer to the financial metrics and/or defined term presented on Slide 12

1. Liquidity AUM excludes AUM for funds that were impacted by the redesign of the Wealth Management client cash sweep program in 3Q16 and 3Q18 (refer to respective Morgan Stanley quarterly report on Form 10-Q)
2. "Private Real Assets" is reported under "Alternative / Other" as of June 30 for 2019 and December 31 for 2015 shown in Morgan Stanley's quarterly reports on Form 10-Q and annual reports on Form 10-K
3. "Solution Based Investing" is reported under "Alternative / Other" as of June 30 for 2019 and December 31 for 2015 shown in Morgan Stanley's quarterly reports on Form 10-Q and annual reports on Form 10-K
4. "Active Fundamental Equity" is reported under "Equity" as of June 30 for 2019 and December 31 for 2015 shown in Morgan Stanley's quarterly reports on Form 10-Q and annual reports on Form 10-K

End Notes

These notes refer to the financial metrics and/or defined term presented on Slide 13

1. Wallet represents the aggregated reported net revenues of Morgan Stanley and the following peers: Goldman Sachs, JP Morgan, Bank of America, Citigroup, UBS, Deutsche Bank, Credit Suisse, and Barclays. Morgan Stanley's Wallet Share is calculated as the percentage of Morgan Stanley's net revenues, excluding DVA (where applicable) to the Wallet
2. European peer results were translated to USD using average exchange rates for the appropriate period; sourced from Bloomberg
3. Peer data has been adjusted for DVA, where it is reported and where applicable. Goldman Sachs' Equity Sales & Trading results also exclude the Americas Reinsurance business which was sold in 2013
4. Fixed Income Sales & Trading net revenues, exclude: for 2013, the negative impact from DVA of \$603 million; for 2014, the positive impact from DVA of \$419 million; for 2015, the positive impact from DVA of \$455 million. Fixed Income Sales & Trading Net Revenues, excluding DVA is a non-GAAP financial measure the Firm considers useful for analysts, investors and other stakeholders to allow better comparability of period to period operating performance
5. Equity Sales & Trading net revenues, exclude: for 2013, the negative impact from DVA of \$78 million; for 2014, the positive impact from DVA of \$232 million; for 2015, the positive impact from DVA of \$163 million. Equity Sales & Trading Net Revenues, excluding DVA is a non-GAAP financial measure the Firm considers useful for analysts, investors and other stakeholders to allow better comparability of period to period operating performance

These notes refer to the financial metrics and/or defined term presented on Slide 14

1. Our Asia Private Wealth Management business is reported under the Institutional Securities segment
2. 125 IRs represents the # hired as of June 30, 2019
3. Source: McKinsey, 2017
4. Source: AMAC as of December 31, 2018

These notes refer to the financial metrics and/or defined term presented on Slide 15

1. Pre-Tax Margin represents income (loss) from continuing operations before taxes divided by net revenues. Pre-Tax Margin is a non-GAAP financial measure that the Firm considers useful for analysts, investors and other stakeholders to assess operating performance
2. #1 IED based on 1H19 firm wallet share and #1 Global Equity Underwriting based on YTD league tables for Global Equity and Equity Linked per Refinitiv as of September 6, 2019
3. LTM means for last twelve months as of 6/30/2019
4. Net Flows is (i) in U.S. Dollars, Billions and (ii) as percentage of beginning of period AUM. Peers are based on U.S. publicly traded Asset Managers with Active Equity AUM greater than \$100Bn as of June 30, 2019: Affiliated Managers Group, Alliance Bernstein, Artisan Partners, BlackRock (active equities flows), BrightSphere, Eaton Vance, Franklin Resources, Invesco (active equities flows), Janus Henderson, Legg Mason, T. Rowe Price
5. Firm Expense Efficiency Ratio represents total non-interest expenses as a percentage of net revenues

End Notes

These notes refer to the financial metrics and/or defined term presented on Slide 16

1. The attainment of these objectives may be impacted by external factors that cannot be predicted at this time, including macroeconomic and market conditions and future regulations; See also Notice on Slide 2 herein
2. Pre-Tax Margin represents income (loss) from continuing operations before taxes divided by net revenues. Pre-Tax Margin is a non-GAAP financial measure that the Firm considers useful for analysts, investors and other stakeholders to assess operating performance
3. Firm Expense Efficiency ratio represents total non-interest expenses as a percentage of net revenues
4. Capital returns are subject to regulatory approval
5. The calculation of ROE uses net income applicable to Morgan Stanley less preferred dividends as a percentage of average common equity. The ROE target of 10% to 13% excludes intermittent discrete tax items. ROE target, excluding intermittent discrete tax items, is a non-GAAP financial measure that the Firm considers useful for analysts, investors and other stakeholders to assess operating performance
6. The calculation of ROTCE uses net income applicable to Morgan Stanley less preferred dividends as a percentage of average tangible common equity. TCE equals common equity less goodwill and intangible assets net of allowable mortgage servicing rights. The ROTCE target of 11.5% to 14.5% excludes intermittent discrete tax items. ROTCE excluding intermittent discrete tax items and TCE are non-GAAP financial measures that the Firm considers useful for analysts, investors and other stakeholders to assess operating performance

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