

## FIRST BASE PROSPECTUS SUPPLEMENT

### **MORGAN STANLEY B.V.**

*as Issuer*

*(incorporated with limited liability in The Netherlands)*

**Morgan Stanley**

*as Guarantor*

*(incorporated under the laws of the State of Delaware in the United States of America)*

### **Up to U.S.\$20,000,000,000**

### **Program for the Issuance of Notes, Certificates and Warrants**

Morgan Stanley B.V. (“**MSBV**” or the “**Issuer**”) and Morgan Stanley in its capacity as guarantor (the “**Guarantor**”) have prepared this first base prospectus supplement (the “**First Base Prospectus Supplement**”) to supplement and be read in conjunction with the base prospectus dated 18 August 2017 (the “**Base Prospectus**”) in relation to MSBV’s programme for the issuance of notes, certificates and warrants.

This First Base Prospectus Supplement has been approved by the Central Bank of Ireland, as competent authority under Directive 2003/71/EC, as amended (the “**Prospectus Directive**”). The Central Bank only approves this First Base Prospectus Supplement as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.

In addition, this First Base Prospectus Supplement has been approved by the Irish Stock Exchange as supplementary listing particulars, pursuant to the listing and admission to trading rules of the Irish Stock Exchange, for the purpose of providing information with regard to the Issuer and the Guarantor for the purposes of admitting Securities to the Official List of the Irish Stock Exchange and trading on its Global Exchange Market. The Global Exchange Market is the exchange regulated market of the Irish Stock Exchange and is not a regulated market for the purposes of Directive 2004/39/EC.

Terms defined in the Base Prospectus shall have the same meaning when used in this First Base Prospectus Supplement. To the extent that there is any inconsistency between any statement in this First Base Prospectus Supplement and any other statement in, or incorporated by reference in, the Base Prospectus the statements in this First Base Prospectus Supplement will prevail.

The purpose of this First Base Prospectus Supplement is to:

- (a) disclose the publication by MSBV of its Interim Financial Report for the six months ended 30 June 2017 (the “**MSBV June 2017 Interim Accounts**”) and incorporate by reference, as set out in “Part A” of this First Base Prospectus Supplement;
- (b) disclose the publication of the second supplement to the Registration Document of Morgan Stanley, Morgan Stanley & Co. International plc, MSBV and Morgan Stanley Finance LLC dated 18 October 2017 and approved by the CSSF (the “**Second Registration Document Supplement**”) and incorporate by reference, as set out in “Part A” of this First Base Prospectus Supplement; and
- (d) make certain consequential amendments to the Base Prospectus as set out in “Part B” of this First Base Prospectus Supplement.

Each of the Issuer and the Guarantor accepts responsibility for the information contained in this First Base Prospectus Supplement. To the best of the knowledge and belief of the Issuer and the Guarantor (each having taken all reasonable care to ensure that such is the case), the information contained in this First Base Prospectus Supplement (including each document incorporated by reference herein) is in accordance with the facts and does not omit anything likely to affect the import of such information.

Save as disclosed in this First Base Prospectus Supplement, no significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus has arisen since the publication of the Base Prospectus.

Any information or documents incorporated by reference into the MSBV June 2017 Interim Accounts or the Second Registration Document Supplement do not form part of this First Base Prospectus Supplement and any information or documents which are not incorporated by reference are either not relevant for the investor or covered in another part of this First Base Prospectus Supplement.

This First Base Prospectus Supplement is available for viewing, and copies may be obtained from, the offices of the Issuer and the Paying Agents and is available on Morgan Stanley's website at <http://sp.morganstanley.com/EU/Documents>.

The MSBV June 2017 Interim Report is available for viewing, and copies may be obtained from, the offices of the Issuer and the Paying Agents and is available on Morgan Stanley's website at <http://sp.morganstanley.com/EU/Download/GeneralDocument?documentID=9ac90495-7131-42c1-97d6-d097e1e199d8>.

The Second Registration Document Supplement is available for viewing, and copies may be obtained from, the offices of the Issuer and the Paying Agents and is available on Morgan Stanley's website at <http://sp.morganstanley.com/EU/Download/GeneralDocument?documentID=331c6d1e-2d44-4ad7-8bbf-609cbeb7b580>.

20 October 2017

**MORGAN STANLEY B.V.**

**MORGAN STANLEY**

## PART A - INCORPORATION BY REFERENCE

This First Base Prospectus Supplement, the MSBV June 2017 Interim Accounts and the First Registration Document Supplement and supplements the section entitled “*Incorporation by Reference*” contained on pages 31-37 of the Base Prospectus.

The MSBV June 2017 Interim Accounts are available on Morgan Stanley's website at <http://sp.morganstanley.com/EU/Download/GeneralDocument?documentID=9ac90495-7131-42c1-97d6-d097e1e199d8>

The Second Registration Document Supplement is available on Morgan Stanley's website at <http://sp.morganstanley.com/EU/Download/GeneralDocument?documentID=331c6d1e-2d44-4ad7-8bbf-609cbeb7b580>.

The information incorporated by reference must be read in conjunction with the cross-reference table below which supplements the table of information incorporated by reference in the section entitled “*Incorporation by Reference*” contained on pages 31-37 of the Base Prospectus.

The following documents and/or information shall be deemed to be incorporated by reference in, and to form part of, the Base Prospectus:

<b>Document filed</b>	<b>Information incorporated by reference</b>	<b>Page(s)</b>
<b>Morgan Stanley B.V.</b>		
Interim Financial Report for the six months ended 30 June 2017	(1) Directors' responsibility statement	6
	(2) Condensed income statement	7
	(3) Condensed statement of comprehensive income	8
	(4) Condensed statement of changes in equity	9
	(5) Condensed statement of financial position	10
	(6) Condensed statement of cash flows	11
	(7) Notes to the condensed financial statements	12-36
	(8) Review report to the shareholders of Morgan Stanley B.V.	37
<b>Morgan Stanley, Morgan Stanley B.V.</b>		
Second Registration Document Supplement of Morgan Stanley, Morgan Stanley & Co. International plc, Morgan Stanley B.V. and Morgan Stanley Finance LLC dated 18 October 2017	(1) Part B – Consequential Amendments to the Registration Document	7-8

This First Base Prospectus Supplement expressly does not incorporate by reference the documents and/or information identified in the cross-reference table below:

**Document incorporated by reference**

Second Registration Document Supplement of Morgan Stanley, Morgan Stanley & Co. International plc, Morgan Stanley B.V. and Morgan Stanley Finance LLC dated 18 October 2017

**Information not incorporated by reference**

Part A

**PART B – OTHER CONSEQUENTIAL AMENDMENTS TO THE BASE PROSPECTUS**

The Base Prospectus is hereby amended as follows:

1. The selected key financial information relating to MSBV at Element B.12 of the summary in the Base Prospectus (set out on page 3 of the Base Prospectus) shall be replaced with the information below:

B.12	<b>Selected historical key financial information:</b>	<b>Selected key financial information relating to MSBV:</b>																																														
		<table border="1"> <thead> <tr> <th rowspan="2">Statement of financial position (in EUR '000)</th> <th rowspan="2">31 Dec 2015</th> <th rowspan="2">31 Dec 2016</th> <th colspan="2">Six months ended 30 June</th> </tr> <tr> <th>2016</th> <th>2017</th> </tr> </thead> <tbody> <tr> <td>Total assets</td> <td>8,770,208</td> <td>9,569,083</td> <td>9,300,670</td> <td>10,193,799</td> </tr> <tr> <td>Total liabilities and equity</td> <td>8,770,208</td> <td>9,569,083</td> <td>9,300,670</td> <td>10,193,799</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th rowspan="2">Statement of comprehensive income (in EUR '000)</th> <th rowspan="2">31 Dec 2015</th> <th rowspan="2">31 Dec 2016</th> <th colspan="2">Six months ended 30 June</th> </tr> <tr> <th>2016 (restated)</th> <th>2017</th> </tr> </thead> <tbody> <tr> <td>Net gains/ (losses) on financial instruments classified as held for trading</td> <td>(478,444)</td> <td>31,323</td> <td>(310,651)</td> <td>359,254</td> </tr> <tr> <td>Net gains/ (losses) on financial instruments designated at fair value through profit or loss</td> <td>482,884</td> <td>(31,323)</td> <td>310,651</td> <td>(359,254)</td> </tr> <tr> <td>Profit before income tax</td> <td>10,151</td> <td>5,160</td> <td>2,858</td> <td>3,783</td> </tr> <tr> <td>Profit and total comprehensive income for the year/period</td> <td>7,620</td> <td>546</td> <td>133</td> <td>2,837</td> </tr> </tbody> </table> <p>There has been no material adverse change in the prospects of MSBV since 31 December 2016, the date of the latest published annual audited financial statements of MSBV.</p> <p>There has been no significant change in the financial or trading position of MSBV since 30 June 2017, the date of the latest published interim (unaudited) financial statements of MSBV.</p>					Statement of financial position (in EUR '000)	31 Dec 2015	31 Dec 2016	Six months ended 30 June		2016	2017	Total assets	8,770,208	9,569,083	9,300,670	10,193,799	Total liabilities and equity	8,770,208	9,569,083	9,300,670	10,193,799	Statement of comprehensive income (in EUR '000)	31 Dec 2015	31 Dec 2016	Six months ended 30 June		2016 (restated)	2017	Net gains/ (losses) on financial instruments classified as held for trading	(478,444)	31,323	(310,651)	359,254	Net gains/ (losses) on financial instruments designated at fair value through profit or loss	482,884	(31,323)	310,651	(359,254)	Profit before income tax	10,151	5,160	2,858	3,783	Profit and total comprehensive income for the year/period	7,620	546
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2. On page 181 of the Base Prospectus, the last paragraph under the title “MSBV” shall be deemed to be deleted in full and replaced by the following:

*“There has been no significant change in the financial or trading position of MSBV since 30 June 2017, the date of the latest published interim unaudited financial statements of MSBV.”.*