

## 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 02 September 2016 (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 Morgan Stanley of its Quarterly Report on Form 10-Q for the quarterly period ended 30 September 2016 (the “**Morgan Stanley September 2016 10-Q**”) and incorporate by reference, as set out in “Part A” of this First Base Prospectus Supplement;
- (b) disclose the publication by MSBV of its Interim Financial Report for the six months ended 30 June 2016 (the “**MSBV June 2016 Interim Report**”) and incorporate by reference, as set out in “Part A” of this First Base Prospectus Supplement;
- (c) disclose the publication of the first supplement to the Registration Document of Morgan Stanley and MSBV dated 19 October 2016 and approved by the CSSF (the “**First 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 Morgan Stanley September 2016 10-Q, the MSBV June 2016 Interim Report or the First Registration Document Supplement does 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 [www.morganstanleyiq.eu](http://www.morganstanleyiq.eu).

The MSBV June 2016 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://www.morganstanleyiq.eu/EN/binaer\\_view.asp?binaernr=4824](http://www.morganstanleyiq.eu/EN/binaer_view.asp?binaernr=4824)

The First 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://www.morganstanleyiq.eu/EN/binaer\\_view.asp?binaernr=4878](http://www.morganstanleyiq.eu/EN/binaer_view.asp?binaernr=4878)

The Morgan Stanley September 2016 10-Q 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 <https://www.morganstanley.com/about-us-ir/shareholder/10q0916/10q0916.pdf>

11 November 2016

**MORGAN STANLEY B.V.**

**MORGAN STANLEY**

## PART A - INCORPORATION BY REFERENCE

This First Base Prospectus Supplement, the Morgan Stanley September 2016 10-Q, the MSBV June 2016 Interim Report and the First Registration Document Supplement and supplements the section entitled “*Incorporation by Reference*” contained on pages 30-36 of the Base Prospectus.

The MSBV June 2016 Interim Report is available on Morgan Stanley's website at [http://www.morganstanleyiq.eu/EN/binaer\\_view.asp?binaernr=4824](http://www.morganstanleyiq.eu/EN/binaer_view.asp?binaernr=4824)

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The Morgan Stanley September 2016 10-Q is available on Morgan Stanley's website at <https://www.morganstanley.com/about-us-ir/shareholder/10q0916/10q0916.pdf>

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 30-36 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>		
Quarterly Report on Form 10-Q for the quarterly period ended 30 September 2016	(1) Consolidated Statements of Income (Unaudited)	1
	(2) Consolidated Statements of Comprehensive Income (Unaudited)	2
	(3) Consolidated Balance Sheets (Unaudited)	3
	(4) Consolidated Statements of Changes in Total Equity (Unaudited)	4
	(5) Consolidated Statements of Cash Flows (Unaudited)	5
	(6) Notes to Consolidated Financial Statements (Unaudited)	6-54
	(7) Report of Independent Registered Public Accounting Firm	55
	(8) Management’s Discussion and Analysis of Financial Condition and Results of Operations	56-86
	(9) Quantitative and Qualitative Disclosures about Market Risk	87-96
	(10) Controls and Procedures	97
	(11) Financial Data Supplement (Unaudited)	98-100
	(12) Legal Proceedings	101
	(13) Unregistered Sales of Equity Securities and Use of Proceeds	102
	(14) Signatures	103
<b>Morgan Stanley B.V.</b>		
Interim Financial Report for the six months ended 30 June 2016 (unaudited)	(1) Interim Management Report	1-5
	(2) Directors’ Responsibility Statement	6
	(3) Condensed Statement of Comprehensive Income	7
	(4) Condensed Statement of Changes in Equity	8
	(5) Condensed Statement of Financial Position	9
	(6) Condensed Statement of Cash Flows	10

**Morgan Stanley, MSI plc,  
MSBV and MSFL**

Part B – Consequential Amendments to the Registration Document

4-7

First Registration Document  
Supplement

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**

Morgan Stanley September 2016 10-Q

First Registration Document Supplement

**Information not incorporated by  
reference**

Exhibits  
Exhibits Index  
Part A

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

The Base Prospectus is hereby amended as follows:

- 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>B.12</b>	<b>Selected historical key financial information:</b>	<p><b>Selected key financial information relating to MSBV:</b></p> <table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 20px;"> <thead> <tr> <th rowspan="2" style="width: 30%;">Statement of financial position (<i>in EUR '000</i>)</th> <th rowspan="2" style="width: 10%;">31 Dec 2014</th> <th rowspan="2" style="width: 10%;">31 Dec 2015</th> <th colspan="2" style="width: 50%;">Six months ended 30 June</th> </tr> <tr> <th style="width: 15%;">2015</th> <th style="width: 15%;">2016</th> </tr> </thead> <tbody> <tr> <td><i>Total assets</i></td> <td style="text-align: right;">8,081,802</td> <td style="text-align: right;">8,770,208</td> <td style="text-align: right;">9,480,695</td> <td style="text-align: right;">9,300,670</td> </tr> <tr> <td><i>Total liabilities and equity</i></td> <td style="text-align: right;">8,081,802</td> <td style="text-align: right;">8,770,208</td> <td style="text-align: right;">9,480,695</td> <td style="text-align: right;">9,300,670</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="width: 30%;">Statement of comprehensive income (<i>in EUR '000</i>)</th> <th rowspan="2" style="width: 10%;">31 Dec 2014</th> <th rowspan="2" style="width: 10%;">31 Dec 2015</th> <th colspan="2" style="width: 50%;">Six months ended 30 June</th> </tr> <tr> <th style="width: 15%;">2015</th> <th style="width: 15%;">2016</th> </tr> </thead> <tbody> <tr> <td><i>Net gains/ (losses) on financial instruments classified as held for trading</i></td> <td style="text-align: right;">185,570</td> <td style="text-align: right;">(478,444)</td> <td style="text-align: right;">309,733</td> <td style="text-align: right;">(310,651)</td> </tr> <tr> <td><i>Net gains/ (losses) on financial instruments designated at fair value through profit or loss</i></td> <td style="text-align: right;">(185,570)</td> <td style="text-align: right;">482,884</td> <td style="text-align: right;">(309,733)</td> <td style="text-align: right;">307,692</td> </tr> <tr> <td><i>Profit before income tax</i></td> <td style="text-align: right;">6,658</td> <td style="text-align: right;">10,151</td> <td style="text-align: right;">2,603</td> <td style="text-align: right;">169</td> </tr> <tr> <td><i>Profit and total comprehensive income for the year/period</i></td> <td style="text-align: right;">4,993</td> <td style="text-align: right;">7,620</td> <td style="text-align: right;">1,952</td> <td style="text-align: right;">133</td> </tr> </tbody> </table> <p>There has been no material adverse change in the prospects of MSBV since 31 December 2015, 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 2016, the date of the latest published interim unaudited financial statements of MSBV.</p>	Statement of financial position ( <i>in EUR '000</i> )	31 Dec 2014	31 Dec 2015	Six months ended 30 June		2015	2016	<i>Total assets</i>	8,081,802	8,770,208	9,480,695	9,300,670	<i>Total liabilities and equity</i>	8,081,802	8,770,208	9,480,695	9,300,670	Statement of comprehensive income ( <i>in EUR '000</i> )	31 Dec 2014	31 Dec 2015	Six months ended 30 June		2015	2016	<i>Net gains/ (losses) on financial instruments classified as held for trading</i>	185,570	(478,444)	309,733	(310,651)	<i>Net gains/ (losses) on financial instruments designated at fair value through profit or loss</i>	(185,570)	482,884	(309,733)	307,692	<i>Profit before income tax</i>	6,658	10,151	2,603	169	<i>Profit and total comprehensive income for the year/period</i>	4,993	7,620	1,952	133
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- The selected key financial information relating to Morgan Stanley at Element B.19/B.12 of the summary in the Base Prospectus (set out on page 5 of the Base Prospectus) shall be replaced with the information below:

B.19/B.1 2	<b>Selected historical key financial information:</b>	<p><b>Selected key financial information relating to Morgan Stanley:</b></p> <table border="1" data-bbox="603 250 1390 533"> <thead> <tr> <th>Consolidated Balance Sheets (U.S.\$ in millions)</th> <th>31 Dec 2014</th> <th>31 Dec 2015</th> <th>At 30 September 2015 (unaudited)</th> <th>At 30 September 2016 (unaudited)</th> </tr> </thead> <tbody> <tr> <td><i>Total assets</i></td> <td>801,510</td> <td>787,465</td> <td>834,113</td> <td>813,891</td> </tr> <tr> <td><i>Total liabilities and equity</i></td> <td>801,510</td> <td>787,465</td> <td>834,113</td> <td>813,891</td> </tr> </tbody> </table> <table border="1" data-bbox="603 591 1390 983"> <thead> <tr> <th>Consolidated Statements of Income (U.S.\$ in millions)</th> <th>31 Dec 2014</th> <th>31 Dec 2015</th> <th>Nine months ended 30 September 2015 (unaudited)</th> <th>Nine months ended 30 September 2016 (unaudited)</th> </tr> </thead> <tbody> <tr> <td><i>Net revenues</i></td> <td>34,275</td> <td>35,155</td> <td>27,417</td> <td>25,610</td> </tr> <tr> <td><i>Income from continuing operations before income taxes</i></td> <td>3,591</td> <td>8,495</td> <td>7,056</td> <td>6,602</td> </tr> <tr> <td><i>Net income</i></td> <td>3,667</td> <td>6,279</td> <td>5,343</td> <td>4,443</td> </tr> </tbody> </table> <p>There has been no material adverse change in the prospects of Morgan Stanley since 31 December 2015, the date of the latest published annual audited financial statements of Morgan Stanley.</p> <p>There has been no significant change in the financial or trading position of Morgan Stanley since 30 September 2016, the date of the latest published interim unaudited financial statements of Morgan Stanley.</p>	Consolidated Balance Sheets (U.S.\$ in millions)	31 Dec 2014	31 Dec 2015	At 30 September 2015 (unaudited)	At 30 September 2016 (unaudited)	<i>Total assets</i>	801,510	787,465	834,113	813,891	<i>Total liabilities and equity</i>	801,510	787,465	834,113	813,891	Consolidated Statements of Income (U.S.\$ in millions)	31 Dec 2014	31 Dec 2015	Nine months ended 30 September 2015 (unaudited)	Nine months ended 30 September 2016 (unaudited)	<i>Net revenues</i>	34,275	35,155	27,417	25,610	<i>Income from continuing operations before income taxes</i>	3,591	8,495	7,056	6,602	<i>Net income</i>	3,667	6,279	5,343	4,443
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3. On page 172 of the Base Prospectus, the fourth paragraph shall be deleted in full and replaced by the following:

“Save as disclosed in:

- (i) the section entitled "Legal Proceedings" in Part I - Item 3 at pages 24-32 and in the paragraphs beginning with "Legal" under the heading "Contingencies" under the heading "Commitments, Guarantees and Contingencies" in "Notes to Consolidated Financial Statements" in Part II - Item 8 at pages 202-205 of Morgan Stanley's Annual Report on Form 10-K for the year ended 31 December 2015 (the "Form 10-K");
- (ii) the section entitled "Legal Settlement" under the heading "24. Subsequent Events" in "Notes to the Consolidated Financial Statements" in Part II – Item 8 at page 250 of the Form 10-K;
- (iii) the paragraphs beginning with "Legal" under the heading "Contingencies" under the heading "Commitments, Guarantees and Contingencies" in "Notes to Condensed Consolidated Financial Statements" in Part I – Item 1 at pages 47-50 and the section entitled "Legal Proceedings" in Part II – Item 1 at page 126 of Morgan Stanley's Quarterly Report on Form 10-Q for the quarterly period ended 31 March 2016;
- (iv) the paragraphs beginning with "Legal" under the heading "Contingencies" under the heading "Commitments, Guarantees and Contingencies" in "Notes to Condensed Consolidated Financial Statements" in Part I – Item 1 at pages 50-53 and the section entitled "Legal Proceedings" in Part II – Item 1 at page 128 of Morgan Stanley's Quarterly Report on Form 10-Q for the quarterly period ended 30 June 2016;

- (v) *the paragraphs beginning with "Legal" under the heading "Contingencies" under the heading "Commitments, Guarantees and Contingencies" in "Notes to Condensed Consolidated Financial Statements" in Part I – Item 1 at pages 39-43 and the section entitled "Legal Proceedings" in Part II – Item 1 at page 101 of Morgan Stanley's Quarterly Report on Form 10-Q for the quarterly period ended 30 September 2016; and*
- (vi) *the section entitled "Legal Proceedings and Contingencies" at Part 7 of the section entitled "Description of Morgan Stanley" at pages 39 to 53 of the Registration Document, the section entitled "Legal Proceedings" at Part 7 of the section entitled "Description of Morgan Stanley & Co. International plc" at pages 64 to 66 of the Registration Document, the section entitled "Legal Proceedings" at Part 7 of the section entitled "Description of Morgan Stanley B.V." at page 69 of the Registration Document and the section entitled "Legal Proceedings" at Part 7 of the section entitled "Description of Morgan Stanley Finance LLC" at page 73 of the Registration Document,*

*there are no, nor have there been, any governmental, legal or arbitration proceedings involving Morgan Stanley or MSBV (including any such proceedings which are pending or threatened of which Morgan Stanley or MSBV is aware) during the 12-month period before the date of this Base Prospectus which may have, or have had in the recent past, a significant effect on the financial position or profitability of Morgan Stanley, MSBV or the Morgan Stanley Group."*

4. On page 171 of the Base Prospectus, item (vii) of the section entitled "General Information" shall be deemed to be deleted in full and replaced by the following:

*"(vii) Morgan Stanley's Proxy Statement dated 1 April 2016, Quarterly Report on Form 10-Q for the quarterly period ended 31 March 2016, the Quarterly Report on Form 10-Q for the quarterly period ended 30 June 2016 and the Quarterly Report on Form 10-Q for the quarterly period ended 30 September 2016;"*

5. On page 173 of the Base Prospectus, the last paragraph under the title "Morgan Stanley" 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 Morgan Stanley since 30 September 2016, the date of the latest published interim (unaudited) financial statements of Morgan Stanley."*

6. On page 173 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 2016, the date of the latest published interim unaudited financial statements of MSBV."*