

SECOND SUPPLEMENTAL OFFERING CIRCULAR

Morgan Stanley

as issuer and guarantor
(incorporated under the laws of the State of Delaware in the United States of America)

MORGAN STANLEY & CO. INTERNATIONAL PLC

as issuer
(incorporated with limited liability in England and Wales)

MORGAN STANLEY B.V.

as issuer
(incorporated with limited liability in The Netherlands)

MORGAN STANLEY FINANCE LLC

as issuer
(formed under the laws of the State of Delaware in the United States of America)

Regulation S Program for the Issuance of Notes, Series A and B, Warrants and Certificates

Morgan Stanley (“**Morgan Stanley**”), Morgan Stanley & Co. International plc (“**MSI plc**”), Morgan Stanley B.V. (“**MSBV**”) and Morgan Stanley Finance LLC, a wholly-owned finance subsidiary of Morgan Stanley (“**MSFL**”), together with Morgan Stanley, MSI plc and MSBV, the “**Issuers**”), and Morgan Stanley, in its capacity as guarantor (in such capacity, the “**Guarantor**”) have prepared this second supplemental offering circular (the “**Second Supplemental Offering Circular**”) to supplement and be read in conjunction with the offering circular dated 30 June 2017 the “**Offering Circular**”) as supplemented by the first supplement to the Offering Circular dated 31 August 2017 (the “**First Supplemental Offering Circular**”) in relation to the Issuer’s Regulation S Program for the Issuance of Notes, Series A and B, Warrants and Certificates.

This Second Supplemental Offering Circular has been approved by:

- (i) 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 Issuers and the Guarantor for the purposes of admitting Program 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;
- (ii) the SIX Swiss Exchange pursuant to points 12 et seq. of the directive of the SIX Swiss Exchange on the listing of notes for the purpose of giving certain information with regard to the Issuers and the Guarantor; and
- (iii) the Luxembourg Stock Exchange pursuant the rules and regulations of the Luxembourg Stock Exchange for the purpose of providing information with regard to the Issuers and the Guarantor for the purpose of listing Program Securities on the Official List and to trading on the Euro MTF market of the Luxembourg Stock Exchange. The Euro MTF market is not a regulated market for the purposes of Directive 2004/39/EC.

Warning: This Second Supplemental Offering Circular does not constitute a “supplement” for the purposes of Directive 2003/71/EC (as amended by Directive 2010/73/EU, the “**Prospectus Directive**”), and this Second Supplemental Offering Circular, the First Supplemental Offering Circular and the Offering Circular have been prepared on the basis that no prospectus shall be required under the Prospectus Directive for any Program Securities to be offered and sold under the Offering Circular. The Offering Circular, the First Supplemental Offering Circular and this Second Supplemental Offering Circular have not been approved or reviewed by any regulator which is a competent authority under the Prospectus Directive in the European Economic Area (the “**EEA**”).

Terms defined in the Offering Circular shall have the same meaning when used in this Second Supplemental Offering Circular. To the extent that there is any inconsistency between any statement in this Second Supplemental Offering

Circular and any other statement in, or incorporated by reference in to, the Offering Circular as supplemented by the First Supplemental Offering Circular, the statements in this Second Supplemental Offering Circular will prevail.

The purpose of this Second Supplemental Offering Circular is to:

- (a) disclose the publication by MSI plc of its Interim Financial Report for the six months ended 30 June 2017 (the “**MSI plc June 2017 Interim Accounts**”) and incorporate by reference, as set out in “Part A” of this Second Supplemental Offering Circular;
- (b) 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 Second Supplemental Offering Circular;
- (c) disclose the publication by MSFL of its Financial Statements as of and for the six months ended 30 June 2017 (unaudited) (the “**MSFL June 2017 Interim Accounts**”) and incorporate by reference, as set out in “Part A” of this Second Supplemental Offering Circular;
- (d) disclose the publication of the second supplement to the Registration Document of Morgan Stanley, MSI plc, MSBV and MSFL 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 Second Supplemental Offering Circular; and
- (e) make certain consequential amendments to the Offering Circular pursuant to the publication of the MSI plc June 2017 Interim Accounts, the MSBV June 2017 Interim Accounts and the MSFL June 2017 Interim Accounts, as set out in “Part B” of this Second Supplemental Offering Circular.

Each of the Issuers and the Guarantor (the “**Responsible Persons**”) accepts responsibility for the information contained in this Second Supplemental Offering Circular and to the best of the knowledge of the Responsible Persons (each having taken all reasonable care to ensure that such is the case), the information contained in this Second Supplemental Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each of the Responsible Persons confirms that save as disclosed in this Second Supplemental Offering Circular, no significant new factor, material mistake or inaccuracy relating to information included in the Offering Circular has arisen since the publication of the Offering Circular (as supplemented by the First Supplemental Offering Circular).

This Second Supplemental Offering Circular, the MSI plc June 2017 Interim Accounts, the MSBV June 2017 Interim Accounts, the MSFL June 2017 Interim Accounts and the Second Registration Document Supplement are available for viewing, and copies may be obtained from, the offices of the Issuers and the Paying Agents and are also available at on Morgan Stanley’s website at <http://sp.morganstanley.com/EU/Documents> and on the website of the Luxembourg Stock Exchange at www.bourse.lu.

20 October 2017

MORGAN STANLEY

MORGAN STANLEY & CO. INTERNATIONAL PLC

MORGAN STANLEY B.V.

MORGAN STANLEY FINANCE LLC

PART A - INCORPORATION BY REFERENCE

This Second Supplemental Offering Circular incorporates by reference the MSI plc June 2017 Interim Accounts, the MSBV June 2017 Interim Accounts, the MSFL June 2017 Interim Accounts and the Second Registration Document Supplement and supplements the section entitled “*Incorporation by Reference*” contained on pages 34-41 of the Offering Circular.

This Second Registration Document Supplement, the MSI plc June 2017 Interim Accounts, the MSBV June 2017 Interim Accounts and the MSFL June 2017 Interim Accounts are available on Morgan Stanley's website at <http://sp.morganstanley.com/EU/Documents> and on the website of the Luxembourg Stock Exchange at www.bourse.lu.

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 contained on pages 34-41 of the Offering Circular.

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

Document filed	Information incorporated by reference	Page(s)
Morgan Stanley & Co. International plc		
Interim Financial Report for the six months ended 30 June 2017	(1) Directors’ responsibilities statement	17
	(2) Independent review report to Morgan Stanley & Co. International plc	18
	(3) Condensed consolidated income statement	19
	(4) Condensed consolidated statement of comprehensive income	20
	(5) Condensed consolidated statement of changes in equity	21
	(6) Condensed consolidated statement of financial position	22
	(7) Condensed consolidated statement of cash flows	23
	(8) Notes to the condensed consolidated financial statements	24-65
Morgan Stanley B.V.		
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

Morgan Stanley Finance LLC

Financial Statements as of and for the six months ended 30 June 2017 (unaudited)	(1)	Statement of Financial Condition	3
	(2)	Statement of Comprehensive Income	4
	(3)	Statement of Cash Flows	5
	(4)	Statement of Changes in Member's Equity	6
	(5)	Notes to the Financial Statements	7-25

MSI plc, MSBV and MSFL

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
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Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in the Offering Circular.

The non-incorporated parts of the documents listed above are as follows:

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 OFFERING CIRCULAR

The Offering Circular is hereby amended as follows:

- The section entitled “*Selected key financial information relating to MSI plc*” on page 2 of the Offering Circular under “*Summary*” shall be deemed to be deleted in its entirety and replaced by the following:

Selected key financial information relating to MSI plc:

Consolidated Balance Sheet (<i>in U.S.\$ millions</i>)	31 Dec 2015	31 Dec 2016	Six months ended 30 June	
			2016	2017
<i>Total assets</i>	394,084	423,346	470,491	439,296
<i>Total liabilities and equity</i>	394,084	423,346	470,491	439,296

Consolidated Income Statement (<i>in U.S.\$ millions</i>)	31 Dec 2015	31 Dec 2016	Six months ended 30 June	
			2016 (restated)	2017
<i>Net gains on financial instruments classified as held for trading</i>	3,508	3,816	1,911	3,252
<i>Profit (loss) before tax</i>	710	735	468	999
<i>Profit (loss) for the year/period</i>	401	451	296	695

- The section entitled “*Selected key financial information relating to MSBV*” on page 3 of the Offering Circular under “*Summary*” shall be deemed to be deleted in its entirety and replaced by the following:

Selected key financial information relating to MSBV:

Statement of financial position (<i>in EUR '000</i>)	31 Dec 2015	31 Dec 2016	Six months ended 30 June	
			2016	2017
<i>Total assets</i>	8,770,208	9,569,083	9,300,670	10,193,799
<i>Total liabilities and equity</i>	8,770,208	9,569,083	9,300,670	10,193,799

Statement of comprehensive income (<i>in EUR '000</i>)	31 Dec 2015	31 Dec 2016	Six months ended 30 June	
			2016 (restated)	2017
<i>Net gains/ (losses) on financial instruments</i>	(478,444)	31,323	(310,651)	359,254

<i>classified as held for trading</i>				
<i>Net gains/ (losses) on financial instruments designated at fair value through profit or loss</i>	482,884	(31,323)	310,651	(359,254)
<i>Profit before income tax</i>	10,151	5,160	2,858	3,783
<i>Profit and total comprehensive income for the year/period</i>	7,620	546	133	2,837

3. The section entitled “*Selected key financial information relating to MSFL*” on page 3 of the Offering Circular under “*Summary*” shall be deemed to be deleted in its entirety and replaced by the following:

Selected key financial information relating to MSFL:

Statement of Financial Position (<i>in U.S.\$</i>)	31 December 2015	31 December 2016	30 June 2016	30 June 2017
<i>Net Income</i>	110,072,000	10,771,000	10,920,801	(458,000)
<i>Total Assets</i>	6,942,318,599	2,143,572,000	355,668,713	5,403,529,000
<i>Total Liabilities</i>	1,713,099,832	2,154,905,000	357,207,736	5,430,060,000

4. On page 436 of the Offering Circular, paragraphs 2(b), 2(c) and 2(d) under the heading “*No significant change in the financial or trading position*” shall be deemed to be deleted in their entirety and replaced by the following:

- “(b) *MSI plc since 30 June 2017, the date of the latest published interim unaudited financial statements of MSI plc;*
- (c) *MSBV since 30 June 2017, the date of the latest published interim unaudited financial statements of MSBV;*
- (d) *MSFL since 30 June 2017, the date of the latest published interim unaudited financial statements of MSFL.”*

5. On page 439 of the Offering Circular, the second paragraph of section 10. under the heading “*Credit Ratings*” shall be deemed to be deleted in its entirety and replaced by the following:

“As at 20 October 2017, MSI plc’s short-term and long-term debt has been respectively rated (i) P-1 and A1, with a stable outlook, by Moody’s and (ii) A-1 and A+, with a stable outlook, by S&P.”