Morgan Stanley Bank

**Market-linked Certificates of Deposit**

# Market-Linked Contingent Coupon Certificates of Deposit Linked to a Basket of 10 Common Stocks due November 30, 2022

The Market-Linked Contingent Coupon Certificates of Deposit Linked to a Basket of 10 Common Stocks (the "CDs") are time deposit obligations of Morgan Stanley Bank, N.A. ("MSBNA") that pay at maturity a cash payment of $1,000 for each CD, insured by the Federal Deposit Insurance Corporation (the "FDIC") up to the applicable limits, *plus* the applicable contingent annual coupon with respect to the final observation date. In addition, the CDs offer the opportunity for investors to earn a contingent annual coupon depending upon the performance of a basket of 10 common stocks. The contingent annual coupon per $1,000 CD on each coupon payment date will be equal to $1,000 *multiplied by* the applicable coupon rate. The coupon rate for each coupon payment date will be a percentage equal to the sum of, for each basket component, the product of the basket component performance (determined as set forth below) and the related basket component weighting, subject to the minimum coupon rate of 1.00%. On any observation date, the basket component performance of each basket component will equal (i) if the closing price of such basket component on such observation date is greater than or equal to its initial share price, a fixed upside basket component return of 5.00%, or (ii) if the closing price of such basket component on such observation date is less than its initial share price, the greater of (a) the basket component return for such basket component, calculated as of such observation date, or (b) -20% (the "basket component return floor"). Consequently, the CDs will pay a contingent annual coupon on any coupon payment date at a rate greater than the minimum coupon rate of 1.00% **only if** there are a sufficient number of basket components with a positive fixed upside basket component return to sufficiently more than offset the negative returns of any of the basket components that have declined in value since the pricing date. On each observation date, the contribution of any basket component will not be greater than the fixed upside basket component return of 5.00% per basket component. The coupon rate on the CDs will therefore never exceed 5.00% for any interest period and can be 5.00% **only** if none of the basket components have declined from their respective initial share prices as of the relevant observation date. Because the basket component return floor is -20%, while the fixed upside basket component return is 5.00%, negative performance by one or more basket components can more than offset the effects of the fixed upside basket component return for a greater number of basket components. These long-dated CDs are designed for investors who are concerned about principal risk but seek an equity stock basket-based return and an opportunity to earn interest at a potentially above-market rate, and who are willing to forgo dividend payments in exchange for the repayment of the deposit amount at maturity insured by the FDIC up to the applicable limits and the contingent annual coupon.

**The CDs are insured only within the limits and to the extent described in this disclosure supplement and in the accompanying disclosure statement. See "Risk Factors—The deposit amount of any CDs owned in excess of the limit on FDIC insurance is not insured by the FDIC" in this disclosure supplement. Any payment on the CDs in excess of FDIC insurance limits is subject to the credit risk of MSBNA.**

## SUMMARY TERMS

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| **Issuer:** | Morgan Stanley Bank, N.A. ("us," "we" or "MSBNA") |
| **Aggregate amount deposited:** | $ |
| **Deposit amount:** | $1,000 per CD |
| **Pricing date:** | November 24, 2015 |
| **Original issue date (settlement date):** | November 30, 2015 (3 business days after the pricing date) |
| **Maturity date:** | November 30, 2022, subject to postponement as described herein. See "Additional Information About the CDs—Additional Provisions—Postponement of maturity date" below. |
| **Basket:** | see table below |

| Basket component | Bloomberg ticker symbol* | Weighting | Initial share price** |
|---|---|---|---|
| Amazon.com, Inc. | AMZN | 10% | $ |
| Philip Morris International Inc. | PM | 10% | $ |
| Wal-Mart Stores, Inc. | WMT | 10% | $ |
| Apple Inc. | AAPL | 10% | $ |
| 3M Company | MMM | 10% | $ |
| Verizon Communications Inc. | VZ | 10% | $ |
| Intel Corporation | INTC | 10% | $ |
| Bristol-Myers Squibb Company | BMY | 10% | $ |
| Yum! Brands, Inc. | YUM | 10% | $ |
| Netflix, Inc. | NFLX | 10% | $ |

** Bloomberg ticker symbols are being provided for reference purposes only.*

*** The initial share price for each basket component will be determined on the pricing date.*

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| **Payment at maturity:** | A cash payment of $1,000 for each $1,000 CD *plus* the contingent annual coupon with respect to the final observation date. |
| **Contingent annual coupon:** | The deposit amount *multiplied by* the coupon rate. |
| **Coupon rate:** | The coupon rate for each coupon payment date will be a percentage equal to the sum of, for each basket component, the product of the basket component performance and the related basket component weighting, subject to the minimum coupon rate of 1.00%. |
| **Minimum coupon rate:** | 1.00% |

***Terms continued on the following page***

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| **CUSIP:** | 61765QAC3 |
| **Estimated value on the pricing date:** | Approximately $942.70 per CD, or within $30.00 of that estimate. See "Investment Summary" beginning on page 3. |
| **Fee:** | Under the arrangements established by the brokers with MSBNA, each broker will receive a fee of up to $35 per $1,000 CD, or not more than 3.5% of the deposit amount of the CDs, which includes compensation paid to other brokers. An affiliate of MSBNA may also receive fees from MSBNA in respect of hedging arrangements entered into with respect to the CDs. |

***Investing in the CDs involves risks. See "Risk Factors" beginning on page 8 in this disclosure supplement.***

The CDs offered hereby are time deposit obligations of MSBNA, a national bank chartered by the Office of the Comptroller of the Currency, the deposits of which are insured by the Federal Deposit Insurance Corporation within the limits and only to the extent described in the disclosure statement under the section entitled "Deposit Insurance." In addition, the FDIC has taken the position that any secondary market premium paid by a depositor above the deposit amount of the CDs is not insured by the FDIC and any supplemental amount payable on a coupon payment date or at maturity based upon changes in the prices of the basket components is not insured by the FDIC until the relevant observation date. For more information on deposit insurance, see the accompanying disclosure statement under the heading "Deposit Insurance."

The CDs offered hereby are obligations of MSBNA only and are not obligations of your brokers or of Morgan Stanley or any other affiliate of MSBNA.

Broker-dealers may use this disclosure supplement and the accompanying disclosure statement in connection with offers and sales of the CDs after the date hereof.

| Terms continued from previous page: | |
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| **Basket component performance:** | The basket component performance for each basket component with respect to each observation date will be determined as follows:<br>• if the final share price is **greater than or equal to** the initial share price, a fixed percentage equal to 5.00% (the "fixed upside basket component return"), or<br>• if the final share price is **less than** the initial share price, a percentage equal to the greater of (a) the basket component return and (b) -20% (the "basket component return floor") |
| **Basket component return:** | On any observation date, (final share price – initial share price) / initial share price |
| **Initial share price:** | For each basket component, the closing price for such basket component on the pricing date |
| **Final share price:** | For each basket component, the closing price for such basket component on the applicable observation date *times* the adjustment factor for such basket component on such date |
| **Adjustment factor:** | With respect to each basket component, 1.0 subject to adjustment in the event of certain corporate events affecting such basket component |
| **Observation dates:** | The third scheduled business day prior to each scheduled coupon payment date, subject to postponement for non-trading days and certain market disruption events. We also refer to the third scheduled business day prior to the scheduled maturity date as the final observation date. |
| **Coupon payment dates:** | November 30, 2016, November 30, 2017, November 30, 2018, November 30, 2019, November 30, 2020, November 30, 2021 and the maturity date, subject to postponement as described herein. See "Additional Information About the CDs—Additional Provisions—Postponement of the coupon payment dates" below. |
| **Minimum deposit size:** | $1,000 and increments of $1,000 in excess thereof. |
| **Call option:** | The CDs will not be callable by MSBNA prior to the stated maturity date. |
| **Limited early withdrawals:** | At par, upon death or adjudication of incompetence of a beneficial holder of the CDs. For information about early withdrawals and the limitations on such early withdrawals, see "Additional Information About the CDs—Additional Provisions—Additional information regarding early withdrawals." |
| **Calculation agent:** | Morgan Stanley & Co. LLC ("MS & Co.") |

# Investment Summary

### Market-Linked Contingent Coupon Certificates of Deposit Linked to a Basket of 10 Common Stocks due November 30, 2022

*The following summary describes the CDs we are offering to you in general terms only. You should read the summary together with the more-detailed information contained in the rest of this disclosure supplement and the accompanying disclosure statement. By purchasing the CDs, you acknowledge that you have received a copy of this disclosure supplement and the accompanying disclosure statement. You should carefully consider, among other things, the matters set forth in "Risk Factors" in this disclosure supplement, as the CDs involve risks not associated with conventional certificates of deposit.*

The Market-Linked Contingent Coupon Certificates of Deposit Linked to a Basket of 10 Common Stocks pay at maturity a cash payment of $1,000 for each CD, insured by the Federal Deposit Insurance Corporation (the "FDIC") up to the applicable limits, *plus* the applicable contingent annual coupon with respect to the final observation date. In addition, the CDs offer the opportunity for investors to earn a contingent annual coupon depending upon the performance of a basket of 10 common stocks. The contingent annual coupon per $1,000 CD on each coupon payment date will be equal to $1,000 *multiplied by* the applicable coupon rate. The coupon rate for each coupon payment date will be a percentage equal to the sum of, for each basket component, the product of the basket component performance (determined as set forth below) and the related basket component weighting, subject to the minimum coupon rate of 1.00%. On any observation date, the basket component performance of each basket component will equal (i) if the closing price of such basket component on such observation date is greater than or equal to its initial share price, a fixed upside basket component return of 5.00%, or (ii) if the closing price of such basket component on such observation date is less than its initial share price, the greater of (a) the basket component return for such basket component, calculated as of such observation date, or (b) -20% (the "basket component return floor"). Consequently, the CDs will pay a contingent annual coupon on any coupon payment date at a rate greater than the minimum coupon rate of 1.00% **only if** there are a sufficient number of basket components with a positive fixed upside basket component return to sufficiently more than offset the negative returns of any of the basket components that have declined in value since the pricing date. On each observation date, the contribution of any basket component will not be greater than the fixed upside basket component return of 5.00% per basket component. The coupon rate on the CDs will therefore never exceed 5.00% for any interest period and can be 5.00% **only** if none of the basket components have declined from their respective initial share prices as of the relevant observation date. Because the basket component return floor is -20%, while the fixed upside basket component return is 5.00%, negative performance by one or more basket components can more than offset the effects of the fixed upside basket component return for a greater number of basket components.

The CDs are designed for investors who are concerned about principal risk but seek an equity stock basket-based return and an opportunity to earn interest at a potentially above-market rate, and who are willing to forgo dividend payments in exchange for the repayment of the deposit amount at maturity insured by the FDIC up to the applicable limits and the contingent annual coupon.

At maturity, you will receive at least the deposit amount of your CDs and the final contingent annual coupon if you hold the CDs to maturity, regardless of the performance of the basket to which the CDs are linked, subject to our creditworthiness with respect to any amount in excess of applicable FDIC insurance limits.

The CDs are insured only within the limits and to the extent described in this disclosure supplement and in the accompanying disclosure statement. See "Risk Factors—The deposit amount of any CDs owned in excess of the limit on FDIC insurance is not insured by the FDIC" in this disclosure supplement. Any payment on the CDs in excess of FDIC insurance limits is subject to the credit risk of MSBNA.

Investing in the CDs is not equivalent to investing in a conventional certificate of deposit or directly in the basket components.

# Market-Linked Contingent Coupon Certificates of Deposit Linked to a Basket of 10 Common Stocks due November 30, 2022

| | |
|---|---|
| **Maturity:** | 7 years |
| **Fixed upside basket component return:** | 5.00% per basket component (applicable for a basket component only if the final share price on the relevant observation date is greater than or equal to the initial share price) |
| **Basket component return floor:** | -20% per basket component |
| **Minimum coupon rate:** | 1.00% |

The deposit amount of each CD is $1,000. This price includes costs associated with issuing, selling, structuring and hedging the CDs, which are borne by you, and, consequently, the estimated value of the CDs on the pricing date will be less than $1,000. MSBNA estimates that the value of each CD on the pricing date will be approximately $942.70, or within $30.00 of that estimate. MSBNA's estimate of the value of the CDs as determined on the pricing date will be set forth in the final disclosure supplement.

*What goes into the estimated value on the pricing date?*

In valuing the CDs on the pricing date, MSBNA takes into account that the CDs comprise both a debt component and a performance-based component linked to the basket components. The estimated value of the CDs is determined using MSBNA's own pricing and valuation models, market inputs and assumptions relating to the basket components, instruments based on the basket components, volatility and other factors including current and expected interest rates, as well as MSBNA's estimated secondary market rate, which is described below.

*What determines the economic terms of the CDs?*

In determining the economic terms of the CDs, including the fixed upside basket component return, the basket component return floor and the minimum coupon rate, MSBNA uses an internal funding rate, which is likely to be lower than MSBNA's estimated secondary market rate and therefore advantageous to MSBNA. If the issuing, selling, structuring and hedging costs borne by you were lower or if the internal funding rate were higher, one or more of the economic terms of the CDs would be more favorable to you.

*What is MSBNA's estimated secondary market rate?*

The estimated value of the debt component is based on a reference interest rate that is MSBNA's good faith estimate of the implied interest rate at which its debt securities of the same maturity would trade in the secondary market, as determined as of a recent date. While the CDs are not debt securities, MSBNA uses this estimated secondary market rate for debt securities for purposes of determining the estimated value of the CDs since MSBNA expects secondary market prices, if any, for the CDs that are provided by brokers to generally reflect such rate, and not the rate at which brokered CDs issued by MSBNA may trade. MSBNA determines the estimated value of the CDs based on this estimated secondary market rate, rather than the internal funding rate that it uses to determine the economic terms of the CDs, for the same reason. As MSBNA is principally a deposit-taking institution, secondary market activities in its debt securities are limited, and, accordingly, MSBNA determines this estimated secondary market rate based on a number of factors that involve the good faith discretionary judgment of MSBNA, as well as a limited number of market-observable inputs. Because MSBNA does not continuously calculate its reference interest rate, the reference interest rate used in the calculation of the estimated value of the debt component may be higher or lower than MSBNA's estimated secondary market rate at the time of that calculation.

*What is the relationship between the estimated value on the pricing date and the secondary market price of the CDs?*

The price at which MS & Co. or any other broker purchases the CDs in the secondary market, absent changes in market conditions, including those related to the basket components, may vary from, and be lower than, the estimated value on the pricing date, because the secondary market price takes into account the bid-offer spread that MS & Co. or any other broker would charge in a secondary market transaction of this type and other factors. However, because the costs associated with issuing, selling, structuring and hedging the CDs, are not fully deducted upon issuance, for a period of up to 12 months following the original issue date, to the extent that MS & Co. or any other broker may buy or sell the CDs in the secondary market, absent changes in market conditions, including those related to the basket components, and to MSBNA's estimated secondary market rates, it would do so based on values higher than the estimated value. MSBNA expects that those higher values will also be reflected in your brokerage account statements.

MS & Co. or any other broker may, but is not obligated to, make a market in the CDs, and, if it once chooses to make a market, may cease doing so at any time.

## FDIC Insurance

The CDs are time deposit obligations of MSBNA and are insured by the FDIC up to applicable limits set by federal law and regulation. In general, the deposit amount of the CDs is protected by federal deposit insurance and backed by the U.S. government to a maximum amount of $250,000 for all deposits held by you in the same ownership capacity with MSBNA as described in the disclosure statement under "Deposit Insurance." The deposit amount of any CDs owned in excess of these limits is not insured by the FDIC. **Each holder is responsible for monitoring the total amount of its deposits with MSBNA in order to determine the extent of deposit insurance coverage available to it on such deposits, including the CDs and the deposits swept to MSBNA from brokerage accounts held at our affiliate.** Claims of depositors are entitled to a preference in right of payment over claims of general unsecured creditors in the event of a liquidation or other resolution of any FDIC-insured depository institution. However, there can be no assurance that a depositor would receive the entire uninsured deposit amount of CDs in any such liquidation or other resolution. In addition, the FDIC has taken the position that any secondary market premium paid by a depositor above the deposit amount of the CDs is not insured by the FDIC and any supplemental amount payable on a coupon payment date or at maturity based upon changes in the prices of the basket components is not insured by the FDIC until the relevant observation date.

## Holding CDs in Individual Retirement Account

The CDs may be held in an individual retirement account. See "Deposit Insurance" in the accompanying disclosure statement for more detailed information.

# Hypothetical Examples

The following examples illustrate how changes in the performance of the basket components over the term of the CDs will affect the contingent annual coupon payable on the CDs for any coupon payment date. These examples reflect the basket component weightings of 10% for each basket component, the fixed upside basket component return of 5.00%, the basket component return floor of -20% and the minimum coupon rate of 1.00% and assume an initial share price for every basket component of $100. The actual initial share price for each basket component will be determined on the pricing date. The examples below are for purposes of illustration only and would provide different results if different assumptions were made. The numbers in the examples below may have been rounded for the ease of analysis.

| Example 1: Coupon Payment at a Rate Greater Than the Minimum Coupon Rate | | | | |
|---|---|---|---|---|
| **Basket Component** | **Final Share Price** | **Basket Component Return** | **Basket Component Performance** | **Basket Component Performance x Weighting** |
| Basket Component 1 | $95.00 | -5.00% | -5.00% | -0.50% |
| Basket Component 2 | $101.20 | 1.20% | 5.00% | 0.50% |
| Basket Component 3 | $103.20 | 3.20% | 5.00% | 0.50% |
| Basket Component 4 | $98.20 | -1.80% | -1.80% | -0.18% |
| Basket Component 5 | $100.50 | 0.50% | 5.00% | 0.50% |
| Basket Component 6 | $102.20 | 2.20% | 5.00% | 0.50% |
| Basket Component 7 | $95.80 | -4.20% | -4.20% | -0.42% |
| Basket Component 8 | $103.20 | 3.20% | 5.00% | 0.50% |
| Basket Component 9 | $103.60 | 3.60% | 5.00% | 0.50% |
| Basket Component 10 | $104.20 | 4.20% | 5.00% | 0.50% |
| | | | **Total =** | **2.40%** |
| | | | **Coupon Rate =** | **2.40%** |

In example 1, seven of the ten basket components have zero or positive basket component returns as of the relevant observation date, and the other three basket components have negative basket component returns, ranging from -1.80% to -5.00% The resulting coupon rate is 2.40%, and investors would receive a coupon payment on the coupon payment date of $24.00 per $1,000 CD.

| Example 2: Coupon Payment at a Rate Equal to the Minimum Coupon Rate | | | | |
|---|---|---|---|---|
| **Basket Component** | **Final Share Price** | **Basket Component Return** | **Basket Component Performance** | **Basket Component Performance x Weighting** |
| Basket Component 1 | $115.00 | 15.00% | 5.00% | 0.50% |
| Basket Component 2 | $110.20 | 10.20% | 5.00% | 0.50% |
| Basket Component 3 | $80.00 | -20.00% | -20.00% | -2.00% |
| Basket Component 4 | $140.00 | 40.00% | 5.00% | 0.50% |
| Basket Component 5 | $112.00 | 12.00% | 5.00% | 0.50% |
| Basket Component 6 | $150.00 | 50.00% | 5.00% | 0.50% |
| Basket Component 7 | $65.00 | -35.00% | -20.00% | -2.00% |
| Basket Component 8 | $110.00 | 10.00% | 5.00% | 0.50% |
| Basket Component 9 | $80.00 | -20.00% | -20.00% | -2.00% |
| Basket Component 10 | $130.00 | 30.00% | 5.00% | 0.50% |
| | | | **Total =** | **-2.50%** |
| | | | **Coupon Rate =** | **1.00%** |

In example 2, seven of the ten basket components have significant positive basket component returns, but the other three basket components have significant negative basket component returns equal to the basket component return floor, which would result in a coupon rate of -2.50%. Because the coupon rate may not be less than the minimum coupon rate of 1.00%, the contingent annual coupon will be paid at a rate equal to the minimum coupon rate. For any basket component, the positive contribution of such basket component is limited to the fixed upside basket component return of 5.00%, regardless of how much the basket component has appreciated from its initial share price, while the negative contribution of a basket component may be as low as the basket component return floor of -20%. Consequently, significant negative returns can have a disproportionate effect on the overall basket performance as calculated in accordance with the terms of the CDs. In this example, the negative basket component returns of three basket components more than offset the positive basket component returns of the other seven basket components, resulting in a contingent annual coupon of only $10.00 per $1,000 CD, reflecting the minimum coupon rate of 1.00%.

| Example 3: Best-case Scenario; Maximum Coupon Payment | | | | |
|---|---|---|---|---|
| **Basket Component** | **Final Share Price** | **Basket Component Return** | **Basket Component Performance** | **Basket Component Performance x Weighting** |
| Basket Component 1 | $130.00 | 30.00% | 5.00% | 0.50% |
| Basket Component 2 | $115.00 | 15.00% | 5.00% | 0.50% |
| Basket Component 3 | $135.00 | 35.00% | 5.00% | 0.50% |
| Basket Component 4 | $140.00 | 40.00% | 5.00% | 0.50% |
| Basket Component 5 | $130.00 | 30.00% | 5.00% | 0.50% |
| Basket Component 6 | $150.00 | 50.00% | 5.00% | 0.50% |
| Basket Component 7 | $115.00 | 15.00% | 5.00% | 0.50% |
| Basket Component 8 | $118.00 | 18.00% | 5.00% | 0.50% |
| Basket Component 9 | $120.00 | 20.00% | 5.00% | 0.50% |
| Basket Component 10 | $125.00 | 25.00% | 5.00% | 0.50% |
| | | | **Total =** | **5.00%** |
| | | | **Coupon Rate =** | **5.00%** |

In example 3, all 10 basket components have significant positive basket component returns, ranging from 15.00% to 50.00%. However, because the coupon rate cannot be more than the fixed upside basket component return of 5.00%, the coupon rate equals the fixed upside basket component return of 5.00% and the investor receives the maximum coupon payment of $50.00 per $1,000 deposit amount on the applicable coupon payment date. Even if all of the basket components have appreciated significantly from their initial share prices, the coupon payment is limited by the fixed upside basket component return. Moreover, the coupon rate for any interest period can be 5.00% **only** if none of the basket components have declined from their respective initial share prices as of the relevant observation date.

# Risk Factors

*The following is a non-exhaustive list of certain key risk factors for investors in the CDs. We urge you to consult with your investment, legal, tax, accounting and other advisers in connection with your investment in the CDs.*

- **The CDs differ from conventional bank deposits.** The CDs combine equity market exposure and features of traditional certificates of deposit. The terms of the CDs differ from those of conventional bank deposits in that the return on your investment in the CDs may be less than the amount that would be paid on an ordinary bank deposit. The return at maturity of only the deposit amount of each CD plus contingent annual coupons paid at the minimum coupon rate may not compensate you for any loss in value due to inflation and other factors relating to the value of money over time. The CDs have been designed for investors who are concerned about principal risk but seek an equity stock basket-based return and an opportunity to earn interest at a potentially above-market rate, and who are willing to forgo dividend payments in exchange for the repayment of the deposit amount at maturity insured by the FDIC up to the applicable limits and the contingent annual coupon. At maturity, you will receive at least the deposit amount of your CDs and the final contingent annual coupon if you hold the CDs to maturity, regardless of the performance of the basket to which the CDs are linked, subject to our creditworthiness with respect to any amount in excess of applicable FDIC insurance limits.
- **If the average basket component performance of the basket components on an observation date is less than or equal to 1.00%, you will receive a contingent annual coupon at only the minimum coupon rate of 1.00% on the related coupon payment date.** The CDs will pay a contingent annual coupon on any coupon payment date at a rate greater than the minimum coupon rate of 1.00% **only if** there are a sufficient number of basket components with a positive fixed upside basket component return to sufficiently more than offset the negative returns of any of the basket components that have declined in value since the pricing date. If the average basket component performance of the basket components, determined as set forth herein, is equal to or below 1.00% on each observation date over the term of the CDs, you will receive a contingent annual coupon at only the minimum coupon rate of 1.00% on each coupon payment date.
- **The contingent annual coupon is based only on the closing prices of the basket components on the annual observation dates.** The amount of contingent annual coupon you will receive on any coupon payment date will be determined based on the closing prices of the basket components on the applicable annual observation dates, as compared to their initial share prices. As a result, you will not know the amount of the contingent annual coupon you will receive on any coupon payment date until the closing prices are determined on such observation date. Moreover, because the contingent annual coupon is based solely on the basket component performances of the basket components on a specific observation date, if the average basket component performance of the basket components, determined as set forth herein, on such observation date is less than or equal to the minimum coupon rate of 1.00%, the contingent annual coupon with respect to such observation date will be paid at only the minimum coupon rate, even if the average performance of the basket components was greater than 1.00% on other days during the term of the CDs.
- **The amount by which each basket component can contribute to the calculation of the coupon rate with respect to any coupon payment date is limited by the fixed upside basket component return, while the negative contribution of any basket component can be as high as the basket component return floor.** On each observation date, the basket component performance for each basket component is capped by the fixed upside basket component return of 5.00%. Therefore, even if the basket component performance of any basket component on any observation date is positive, the amount by which such basket component can contribute to the calculation of the coupon rate with respect to the relevant coupon payment date will not exceed the fixed upside basket component return. Consequently, your return on

each coupon payment date will be capped at the fixed upside basket component return, regardless of the actual appreciation of the basket components from the pricing date to the relevant observation date, which may be significant. Moreover, because the basket component return floor is -20%, while the fixed upside basket component return is 5.00%, negative performance by one or more basket components can more than offset the effects of the fixed upside basket component return for a greater number of basket components.

- **The deposit amount of any CDs owned in excess of the limit on FDIC insurance is not insured by the FDIC.** The CDs are deposit obligations of MSBNA and are insured by the FDIC up to applicable limits set by federal law and regulation, currently $250,000 for all deposits held by you in the same ownership capacity at MSBNA, as described in the disclosure statement under “Deposit Insurance.” The deposit amount of any CDs owned in excess of this limit is not insured by the FDIC. Under federal legislation adopted in 1993, claims of depositors are entitled to a preference in right of payment over claims of general unsecured creditors in the event of a liquidation or other resolution of any FDIC-insured depository institution. However, there can be no assurance that a depositor would receive the entire uninsured amount of the CDs in any such liquidation or other resolution. Additionally, because the contingent annual coupon is calculated, in part, using the final share prices of the basket components on the relevant observation date, the contingent annual coupon will not accrue to a holder of a CD until the relevant observation date. Accordingly, the portion of any contingent annual coupon in excess of the minimum coupon rate will not be eligible for federal deposit insurance prior to the relevant observation date and is subject to the credit risk of MSBNA.
- **The CDs are designed to be held to maturity.** The CDs are not designed to be short-term trading instruments. If you are able to sell your CDs prior to maturity, the price at which you may be able to sell your CDs is likely to be at a substantial discount from the deposit amount of the CDs, even in cases where the basket has appreciated since the date of the issuance of the CDs. The hypothetical examples described in this disclosure supplement assume that your CDs are held to maturity. The return of the deposit amount applies only at maturity. Accordingly, you should be willing and able to hold the CDs to maturity.
- **No right to withdraw your funds prior to the stated maturity date of the CDs except upon your death or adjudication of incompetence**. By your purchase of a CD, you are deemed to represent to us that your deposits with us, including the CDs, when aggregated in accordance with FDIC regulations are within the $250,000 FDIC insurance limit for each ownership capacity. For purposes of early withdrawal upon your death or adjudication of incompetence, we will limit the combined aggregate deposit amount of (i) these CDs and (ii) any other CDs of ours subject to this withdrawal limit to the FDIC insurance coverage amount applicable to each ownership capacity in which such CDs are held. All issues regarding eligibility for early withdrawal will be determined by us in our sole discretion. Due to the restrictions on early withdrawals, you should not expect us to allow you to have access to your funds prior to the stated maturity date of the CDs.
- **The CDs could be repudiated or transferred to another institution if the FDIC were to be appointed as conservator or receiver of MSBNA.** If the FDIC were appointed as conservator or receiver of MSBNA, the FDIC would be authorized to disaffirm or repudiate any contract to which MSBNA is a party, the performance of which was determined to be burdensome, and the disaffirmance or repudiation of which was determined to promote the orderly administration of MSBNA’s affairs. It is likely that for this purpose, deposit obligations, such as the CDs, would be considered “contracts” within the meaning of the foregoing and that the CDs could be repudiated by the FDIC as conservator or receiver of MSBNA. Such repudiation should result in a claim by a depositor against the conservator or receiver for the deposit amount of the CDs and any accrued interest. No claim would be available, however, for any secondary market premium paid by a depositor above the deposit amount of a CD and no claims would be available for the portion of any contingent annual coupon in excess of the minimum coupon rate if MSBNA failed prior to the applicable final observation date. The FDIC as conservator or receiver may also transfer to another

insured depository institution any of the insolvent institution's assets and liabilities, including liabilities such as the CDs, without the approval or consent of the beneficial owners of the CDs. The transferee depository institution would be permitted to offer beneficial owners of the CDs the choice of (i) repayment of the deposit amount of the CDs or (ii) substitute terms which may be less favorable. If a CD is paid off prior to its stated maturity date, either by a transferee depository institution or the FDIC, its beneficial owner may not be able to reinvest the funds at the same rate of return as the rate on the original CD.

- **The CDs may not pay more than the deposit amount plus a contingent annual coupon at the minimum coupon rate at maturity**. You may receive a lower payment at maturity than you would have received if you had invested directly in the basket components or contracts relating to the basket components for which there is an active secondary market. If the average basket component performance of the basket components, calculated as set forth herein, on an observation date is less than or equal to the minimum coupon rate of 1.00%, the contingent annual coupon with respect to such observation date will be paid at only the minimum coupon rate. This will be true even if the average stock performance of the basket components was greater than 1.00% on other days during the term of the CDs.

- **The market price of the CDs will be influenced by many unpredictable factors.** Several factors, many of which are beyond our control, will influence the value of the CDs and the price, if any, at which your broker may be willing to purchase or sell the CDs, including the market price of each basket component at any time, and, in particular, on the observation dates, the volatility (frequency and magnitude of changes in price) of the basket components, dividend rate on the basket components, interest and yield rates in the market, time remaining until the CDs mature, geopolitical conditions and economic, financial, political, regulatory or judicial events that affect the basket components or equities markets generally and which may affect the final share prices of the basket components, the occurrence of certain events affecting a particular basket components that may or may not require an adjustment to its adjustment factor and any actual or anticipated changes in our credit ratings or credit spreads. Generally, the longer the time remaining to maturity, the more the market price of the CDs will be affected by the other factors described above. The prices of the basket components may be, and have recently been, volatile, and we can give you no assurance that the volatility will lessen. See "Basket Components, Public Information and Historical Information" below. You may receive less, and possibly significantly less, than the deposit amount per CD if you try to sell your CDs prior to maturity.

- **Investments in the CDs may be subject to the credit risk of MSBNA.** If you are a depositor at MSBNA and you purchase a deposit amount of the CDs, which, when aggregated with all other deposits held by you in the same ownership capacity at MSBNA, exceeds applicable FDIC insurance limits, you will be subject to the credit risk of MSBNA, and our credit ratings and credit spreads may adversely affect the market value of the CDs. You are dependent on MSBNA's ability to pay amounts due on the CDs in excess of applicable FDIC insurance limits at maturity or on any other relevant payment dates, and you are therefore subject to our credit risk and to changes in the market's view of our creditworthiness. Any decline in our credit ratings or increase in the credit spreads charged by the market for taking our credit risk may adversely affect the market value of the CDs.

- **The rate MSBNA is willing to pay for CDs of this type, maturity and issuance size is likely to be lower than MSBNA's estimated secondary market rates and advantageous to MSBNA. Both the lower rate and the inclusion of costs associated with issuing, selling, structuring and hedging the CDs in the deposit amount reduce the economic terms of the CDs, cause the estimated value of the CDs to be less than the deposit amount and will adversely affect secondary market prices.** Assuming no change in market conditions or any other relevant factors, the prices, if any, at which brokers, including MS & Co., may be willing to purchase the CDs in secondary market transactions will likely be significantly lower than the deposit amount, because secondary market prices will exclude the issuing, selling, structuring and hedging-related costs that are included in the deposit amount and borne by you and because the secondary market prices will reflect the bid-offer spread that any broker would charge in a secondary market transaction of this type as well as other factors.

The inclusion of the costs of issuing, selling, structuring and hedging the CDs in the deposit amount and the lower rate MSBNA is willing to pay as issuer make the economic terms of the CDs less favorable to you than they otherwise would be.

However, because the costs associated with issuing, selling, structuring and hedging the CDs are not fully deducted upon issuance, for a period of up to 12 months following the original issue date, to the extent that MS & Co. or any other broker may buy or sell the CDs in the secondary market, absent changes in market conditions, including those related to the basket components, and to MSBNA's estimated secondary market rates, it would do so based on values higher than the estimated value, and MSBNA expects that those higher values will also be reflected in your brokerage account statements.

- **The estimated value of the CDs is determined by reference to MSBNA's pricing and valuation models, which may differ from those of other brokers and is not a maximum or minimum secondary market price.** These pricing and valuation models are proprietary and rely in part on subjective views of certain market inputs and certain assumptions about future events, which may prove to be incorrect. As a result, because there is no market-standard way to value these types of CDs, MSBNA's models may yield a higher estimated value of the CDs than those generated by others, including other brokers in the market, if they attempted to value the CDs. In addition, the estimated value on the pricing date does not represent a minimum or maximum price at which brokers, including MS & Co., would be willing to purchase your CDs in the secondary market (if any exists) at any time. The value of your CDs at any time after the date of this disclosure supplement will vary based on many factors that cannot be predicted with accuracy, including MSBNA's creditworthiness and changes in market conditions. See also "The market price of the CDs will be influenced by many unpredictable factors" above.

- **Changes in the price of one or more of the basket components may offset each other.** Price movements in the basket components may not correlate with each other. At a time when the price of one or more basket components increase, the price of other basket components may decline in value. Therefore, in calculating the contingent annual coupon on each observation date in the manner set forth herein, increases in the prices of one or more basket components may be moderated, or wholly offset, by declines in the prices of one or more of the other basket components. For further information on each of the basket components, please see "Basket Components, Public Information and Historical Information" below. You can review the published high and low closing prices for each basket component from January 1, 2008 through October 30, 2015. The historical performance of the 10 basket components cannot be taken as an indication of future performance of those basket components. You cannot predict the future performance of any basket component, the average basket component performance of the basket components, or whether increases in the value of any of the basket components will be offset by decreases in the value of other basket components, based on the historical information included in this disclosure supplement.

  Additionally, because the basket component return floor is -20%, while the fixed upside basket component return is 5.00%, negative performance by one or more basket components can more than offset the effects of the fixed upside basket component return for a greater number of basket components.

- **The basket component prices are volatile.** The trading prices of common stocks can be volatile. Fluctuations in the trading prices of the basket components may result in a significant disparity between the prices of the basket components on any observation date and the overall performance of the basket components over the term of the CDs.

- **MSBNA is not affiliated with the basket component issuers.** We are not affiliated with any of the basket component issuers and the basket component issuers are not involved with this offering in any way. Consequently, we have no ability to control the actions of the basket component issuers, including any corporate actions of the type that would require the calculation agent to adjust the adjustment factor of the basket components. The basket component issuers have no obligation to consider your interests as an investor in the CDs in taking any corporate actions that might affect the value of your CDs. None of the money you pay for the CDs will go to the basket component issuers.

- **MSBNA may engage in business with or involving one or more of the basket component issuers without regard to your interests.** We or our affiliates may presently or from time to time engage in business with one or more of the basket component issuers without regard to your interests, including extending loans to, or making equity investments in, one or more of the basket component issuers or their affiliates or subsidiaries, or providing advisory services to one or more of the basket component issuers, such as merger and acquisition advisory services. In the course of our business, we or our affiliates may acquire non-public information about one or more of the basket component issuers. Neither we nor any of our affiliates undertakes to disclose any such information to you. In addition, we or our affiliates from time to time have published and in the future may publish research reports with respect to the basket components. These research reports may or may not recommend that investors buy or hold the basket components. The basket was compiled independently of any research recommendations and may not be consistent with such recommendations. Furthermore, the composition of the basket will not be affected by any change that we or our affiliates may make in our recommendations or decisions to begin or discontinue coverage of any of the basket component issuers in our research reports.
- **You have no shareholder rights.** Investing in the CDs is not equivalent to investing in the basket components. As an investor in the CDs, you will not have voting rights or the right to receive dividends or other distributions or any other rights with respect to any basket component.
- **The final share prices of the basket components may come to be based on the value of the common stock of companies other than the basket component issuers.** Following certain corporate events relating to a basket component, such as a stock-for-stock merger where the basket component is not the surviving entity, the basket component performance that had been based on the original basket component will instead be based on the closing price of the common stock of a successor corporation to the basket component issuer. Following certain other corporate events relating to a basket component, such as a merger event where holders of the basket component would receive all or a substantial portion of their consideration in cash or a significant cash dividend or distribution of property with respect to such basket component, the value of such cash consideration will be reallocated to a replacement stock of a company in the same industry as such basket component in lieu of, or in addition to such basket component, in either case to calculate the basket component performance for such basket component. We describe the specific corporate events that can lead to these adjustments and the procedures for selecting substitute basket components in "Antidilution adjustments" below. You should read this section in order to understand these and other adjustments that may be made to your CDs.
- **The CDs are not trading instruments.** The CDs are not trading instruments and there may be little or no secondary market for the CDs. Even if there is a secondary market, it may not provide enough liquidity to allow you to trade or sell the CDs easily. Each broker, though not obligated to do so, may maintain a secondary market in the CDs. Each broker may at any time, without notice, discontinue participation in secondary market transactions in CDs. Accordingly, you should not rely on the possible existence of a secondary market for any benefits, including liquidity, achieving trading profits or realizing income prior to maturity.
- **Your return may be lower than the return on other available investments.** The return on your investment in the CDs may be less than the return you could have earned on other investments, including a direct investment in each of the basket components. Your investment may not reflect the full opportunity cost to you when you take into account factors that affect the time value of money. This is because you have lost the use of the deposit amount deposited for the term of the CD. Opportunity cost is generally quantified by reference to a "risk-free rate of return" that could have been achieved had the deposit amount deposited been invested in safe fixed-income securities, such as U.S. Treasury bills for the same period. A depositor owning CDs will not own an interest or have any rights in the basket components.
- **The adjustments to the adjustment factors the calculation agent is required to make do not cover every corporate event that can affect the basket components.** MS & Co., as calculation agent, will adjust the adjustment factor for a basket component for certain events affecting the basket component, such as stock splits and stock dividends, and certain other corporate actions involving the basket

component issuer, such as mergers. However, the calculation agent will not make an adjustment for every corporate event or every distribution that could affect the basket components. For example, the calculation agent is not required to make any adjustments if the basket component issuer or anyone else makes a partial tender or partial exchange offer for that basket component. If an event occurs that does not require the calculation agent to adjust an adjustment factor, the market price of the CDs may be materially and adversely affected. The determination by the calculation agent to adjust, or not to adjust, the adjustment factor may materially and adversely affect the market price of the CDs.

- **The calculation agent, which is an affiliate of the issuer, will make determinations with respect to the CDs.** As calculation agent, MS & Co. will determine the initial share price and the closing share price for each basket component on each observation date, and will calculate the contingent annual coupon you will receive on the coupon payment dates and the amount of cash you will receive at maturity. Moreover, certain determinations made by MS & Co., in its capacity as calculation agent, may require it to exercise discretion and make subjective judgments, such as with respect to the occurrence or non-occurrence of market disruption events and adjustments to an adjustment factor. Such determinations may adversely affect the payment you will receive on each coupon payment date. In addition, MS & Co. has determined the estimated value of the CDs on the pricing date.

  The deposit amount of the CDs includes the broker's commissions and certain costs of hedging our obligations under the CDs. The affiliates through which we hedge our obligations under the CDs expect to make a profit. Since hedging our obligations entails risk and may be influenced by market forces beyond our or our affiliates' control, such hedging may result in a profit that is more or less than initially projected.

- **Hedging and trading activity by our affiliates could potentially adversely affect the value of the CDs.** One or more of our affiliates and/or third-party brokers expect to carry out hedging activities related to the CDs (and to other instruments linked to the basket components), including trading in the basket components and in other instruments related to the basket components. As a result, these entities may be unwinding or adjusting hedge positions during the term of the CDs, and the hedging strategy may involve greater and more frequent dynamic adjustments to the hedge as the final observation date approaches. Some of our affiliates also trade the basket components and other financial instruments related to the basket components on a regular basis as part of their general broker-dealer and other businesses. Any of these hedging or trading activities on or prior to the pricing date could potentially increase the initial share prices of the basket components, and, therefore, could increase the prices at or above which the basket components must close on any observation date before an investor would receive a contingent annual coupon at a rate that is greater than the minimum coupon rate. Additionally, such hedging or trading activities during the term of the CDs, including on the observation dates, could adversely affect the closing prices of the basket components on the observation dates, and, accordingly, the amount of cash an investor will receive on the applicable coupon payment dates.

# Basket Components, Public Information and Historical Information

The following tables set forth the published high and low closing prices for each basket component from January 1, 2008 through October 30, 2015. We obtained the information in the tables below from Bloomberg Financial Markets without independent verification.

The historical prices of the basket components should not be taken as an indication of future performance, and no assurance can be given as to the prices of the basket components on any observation date.

Amazon.com, Inc. offers electronic retail services to consumer customers, seller customers and developer customers. Its Securities and Exchange Commission file number is 000-22513.

| Amazon.com, Inc. | High ($) | Low ($) |
|---|---|---|
| **(CUSIP 023135106)** | | |
| **2008** | | |
| First Quarter | 95.21 | 62.43 |
| Second Quarter | 84.51 | 71.99 |
| Third Quarter | 88.09 | 63.35 |
| Fourth Quarter | 69.58 | 35.03 |
| **2009** | | |
| First Quarter | 75.58 | 48.44 |
| Second Quarter | 87.56 | 73.50 |
| Third Quarter | 93.87 | 75.63 |
| Fourth Quarter | 142.25 | 88.67 |
| **2010** | | |
| First Quarter | 136.58 | 115.94 |
| Second Quarter | 150.09 | 108.61 |
| Third Quarter | 160.73 | 109.14 |
| Fourth Quarter | 184.76 | 153.03 |
| **2011** | | |
| First Quarter | 191.25 | 160.97 |
| Second Quarter | 206.07 | 178.34 |
| Third Quarter | 241.69 | 177.54 |
| Fourth Quarter | 246.71 | 173.10 |
| **2012** | | |
| First Quarter | 205.44 | 173.10 |
| Second Quarter | 231.90 | 185.50 |
| Third Quarter | 261.68 | 215.36 |
| Fourth Quarter | 261.50 | 220.60 |
| **2013** | | |
| First Quarter | 283.99 | 250.87 |
| Second Quarter | 281.76 | 248.23 |
| Third Quarter | 318.12 | 280.93 |
| Fourth Quarter | 404.39 | 298.23 |
| **2014** | | |
| First Quarter | 407.05 | 336.37 |
| Second Quarter | 342.99 | 288.32 |
| Third Quarter | 360.84 | 307.06 |
| Fourth Quarter | 338.64 | 287.06 |
| **2015** | | |
| First Quarter | 387.83 | 286.95 |
| Second Quarter | 445.99 | 370.26 |
| Third Quarter | 548.39 | 429.70 |
| Fourth Quarter (through October 30, 2015) | 626.55 | 520.72 |

Philip Morris International Inc., through its subsidiaries, affiliates and their licensees produces, sells, distributes, and markets cigarettes and tobacco products in markets outside of the United States of America. Its Securities and Exchange Commission file number is 001-33708.

| Philip Morris International Inc. | High | Low |
|---|---|---|
| **(CUSIP 718172109)** | | |
| **2008** | | |
| First Quarter (from March 31, 2008)* | 50.58 | 50.58 |
| Second Quarter | 53.63 | 48.00 |
| Third Quarter | 55.95 | 46.80 |
| Fourth Quarter | 50.78 | 36.63 |
| **2009** | | |
| First Quarter | 44.47 | 32.34 |
| Second Quarter | 44.60 | 36.09 |
| Third Quarter | 49.40 | 42.34 |
| Fourth Quarter | 51.55 | 47.36 |
| **2010** | | |
| First Quarter | 52.89 | 45.51 |
| Second Quarter | 52.95 | 43.17 |
| Third Quarter | 56.32 | 46.45 |
| Fourth Quarter | 60.82 | 55.29 |
| **2011** | | |
| First Quarter | 65.70 | 56.02 |
| Second Quarter | 71.75 | 64.92 |
| Third Quarter | 72.35 | 62.38 |
| Fourth Quarter | 79.10 | 61.76 |
| **2012** | | |
| First Quarter | 88.61 | 73.26 |
| Second Quarter | 90.31 | 81.91 |
| Third Quarter | 93.38 | 86.67 |
| Fourth Quarter | 93.74 | 82.39 |
| **2013** | | |
| First Quarter | 93.42 | 83.64 |
| Second Quarter | 96.44 | 86.50 |
| Third Quarter | 90.54 | 82.95 |
| Fourth Quarter | 91.64 | 84.16 |
| **2014** | | |
| First Quarter | 87.13 | 75.39 |
| Second Quarter | 91.34 | 82.21 |
| Third Quarter | 86.29 | 81.58 |
| Fourth Quarter | 89.90 | 81.39 |
| **2015** | | |
| First Quarter | 85.16 | 75.33 |
| Second Quarter | 86.79 | 76.07 |
| Third Quarter | 85.89 | 77.29 |
| Fourth Quarter (through October 30, 2015) | 89.70 | 79.46 |

*Philip Morris International Inc.'s common stock began regular. trading on March 31, 2008.

# Market-Linked Contingent Coupon Certificates of Deposit Linked to a Basket of 10 Common Stocks due November 30, 2022

Wal-Mart Stores, Inc. is a retail and wholesale company. Its Securities and Exchange Commission file number is 001-06991.

| Wal-Mart Stores, Inc. | High ($) | Low ($) |
|---|---|---|
| **(CUSIP 931142103)** | | |
| **2008** | | |
| First Quarter | 53.63 | 45.72 |
| Second Quarter | 59.80 | 54.08 |
| Third Quarter | 63.17 | 56.02 |
| Fourth Quarter | 59.73 | 49.67 |
| **2009** | | |
| First Quarter | 57.18 | 46.42 |
| Second Quarter | 53.80 | 47.87 |
| Third Quarter | 51.88 | 47.57 |
| Fourth Quarter | 54.96 | 49.00 |
| **2010** | | |
| First Quarter | 55.99 | 52.61 |
| Second Quarter | 55.53 | 48.07 |
| Third Quarter | 54.08 | 48.00 |
| Fourth Quarter | 55.36 | 53.25 |
| **2011** | | |
| First Quarter | 57.57 | 51.37 |
| Second Quarter | 56.06 | 52.13 |
| Third Quarter | 54.52 | 48.41 |
| Fourth Quarter | 59.99 | 51.90 |
| **2012** | | |
| First Quarter | 62.48 | 58.46 |
| Second Quarter | 69.72 | 57.36 |
| Third Quarter | 75.14 | 69.35 |
| Fourth Quarter | 77.15 | 67.61 |
| **2013** | | |
| First Quarter | 74.85 | 68.23 |
| Second Quarter | 79.86 | 73.03 |
| Third Quarter | 78.77 | 72.38 |
| Fourth Quarter | 81.21 | 71.87 |
| **2014** | | |
| First Quarter | 78.91 | 72.66 |
| Second Quarter | 79.76 | 74.91 |
| Third Quarter | 77.51 | 73.34 |
| Fourth Quarter | 87.54 | 73.82 |
| **2015** | | |
| First Quarter | 90.47 | 80.69 |
| Second Quarter | 81.03 | 70.93 |
| Third Quarter | 73.88 | 63.10 |
| Fourth Quarter (through October 30, 2015) | 66.93 | 57.24 |

Apple Inc. designs, manufactures and markets mobile communication and media devices, personal computers, and portable digital music players, and sells a variety of related software, services, peripherals, networking solutions, and third-party digital content and applications. Its Securities and Exchange Commission file number is 000-10030.

| Apple Inc. | High ($) | Low ($) |
|---|---|---|
| **(CUSIP 037833100)** | | |
| **2008** | | |
| First Quarter | 27.85 | 17.02 |
| Second Quarter | 27.14 | 21.02 |
| Third Quarter | 25.65 | 15.04 |
| Fourth Quarter | 15.86 | 11.50 |
| **2009** | | |
| First Quarter | 15.70 | 11.17 |
| Second Quarter | 20.67 | 15.53 |
| Third Quarter | 26.59 | 19.34 |
| Fourth Quarter | 30.23 | 25.84 |
| **2010** | | |
| First Quarter | 33.69 | 27.44 |
| Second Quarter | 39.15 | 33.69 |
| Third Quarter | 41.76 | 34.28 |
| Fourth Quarter | 46.50 | 39.81 |
| **2011** | | |
| First Quarter | 51.88 | 46.08 |
| Second Quarter | 50.43 | 45.05 |
| Third Quarter | 59.06 | 49.04 |
| Fourth Quarter | 60.32 | 51.94 |
| **2012** | | |
| First Quarter | 88.23 | 57.86 |
| Second Quarter | 90.89 | 75.73 |
| Third Quarter | 100.30 | 82.13 |
| Fourth Quarter | 95.92 | 72.80 |
| **2013** | | |
| First Quarter | 78.43 | 60.01 |
| Second Quarter | 66.26 | 55.79 |
| Third Quarter | 72.53 | 58.46 |
| Fourth Quarter | 81.44 | 68.71 |
| **2014** | | |
| First Quarter | 80.15 | 71.40 |
| Second Quarter | 94.25 | 73.99 |
| Third Quarter | 103.30 | 93.09 |
| Fourth Quarter | 119.00 | 96.26 |
| **2015** | | |
| First Quarter | 133.00 | 105.99 |
| Second Quarter | 132.65 | 124.25 |
| Third Quarter | 132.07 | 103.12 |
| Fourth Quarter (through October 30, 2015) | 120.53 | 109.50 |

# Market-Linked Contingent Coupon Certificates of Deposit Linked to a Basket of 10 Common Stocks due November 30, 2022

3M Company is a technology company with a presence in the following businesses: Industrial; Safety and Graphics; Electronics and Energy; Health Care; and Consumer. Its Securities and Exchange Commission file number is 001-03285.

| 3M Company | High ($) | Low ($) |
|---|---|---|
| **(CUSIP 88579Y101)** | | |
| **2008** | | |
| First Quarter | 82.70 | 74.91 |
| Second Quarter | 82.90 | 69.51 |
| Third Quarter | 74.38 | 66.32 |
| Fourth Quarter | 67.39 | 53.50 |
| **2009** | | |
| First Quarter | 59.19 | 41.83 |
| Second Quarter | 61.00 | 50.65 |
| Third Quarter | 75.38 | 58.76 |
| Fourth Quarter | 84.13 | 71.93 |
| **2010** | | |
| First Quarter | 85.12 | 77.53 |
| Second Quarter | 89.81 | 74.74 |
| Third Quarter | 88.03 | 77.67 |
| Fourth Quarter | 90.90 | 83.59 |
| **2011** | | |
| First Quarter | 93.75 | 86.14 |
| Second Quarter | 97.23 | 90.62 |
| Third Quarter | 97.97 | 71.79 |
| Fourth Quarter | 82.39 | 70.93 |
| **2012** | | |
| First Quarter | 90.00 | 81.73 |
| Second Quarter | 89.60 | 82.51 |
| Third Quarter | 94.24 | 86.41 |
| Fourth Quarter | 95.37 | 87.31 |
| **2013** | | |
| First Quarter | 106.42 | 92.85 |
| Second Quarter | 112.97 | 103.79 |
| Third Quarter | 121.57 | 108.73 |
| Fourth Quarter | 140.25 | 117.16 |
| **2014** | | |
| First Quarter | 140.25 | 123.90 |
| Second Quarter | 145.32 | 132.39 |
| Third Quarter | 146.84 | 139.13 |
| Fourth Quarter | 167.27 | 132.90 |
| **2015** | | |
| First Quarter | 170.50 | 158.65 |
| Second Quarter | 167.07 | 153.95 |
| Third Quarter | 157.17 | 137.58 |
| Fourth Quarter (through October 30, 2015) | 158.08 | 140.80 |

Verizon Communications Inc. is a provider of communications, information and entertainment products and services. Its Securities and Exchange Commission file number is 001-08606.

| Verizon Communications Inc. | High | Low |
|---|---|---|
| **(CUSIP 92343V104)** | | |
| **2008** | | |
| First Quarter | 40.42 | 31.46 |
| Second Quarter | 36.99 | 32.03 |
| Third Quarter | 33.49 | 28.61 |
| Fourth Quarter | 31.98 | 23.43 |
| **2009** | | |
| First Quarter | 32.37 | 24.46 |
| Second Quarter | 30.86 | 26.92 |
| Third Quarter | 30.19 | 26.74 |
| Fourth Quarter | 31.52 | 26.76 |
| **2010** | | |
| First Quarter | 31.15 | 26.51 |
| Second Quarter | 29.40 | 25.16 |
| Third Quarter | 32.86 | 26.28 |
| Fourth Quarter | 35.78 | 31.90 |
| **2011** | | |
| First Quarter | 38.54 | 34.30 |
| Second Quarter | 38.61 | 35.12 |
| Third Quarter | 37.82 | 33.12 |
| Fourth Quarter | 40.12 | 35.35 |
| **2012** | | |
| First Quarter | 40.12 | 37.21 |
| Second Quarter | 44.44 | 36.80 |
| Third Quarter | 45.89 | 42.25 |
| Fourth Quarter | 47.26 | 41.40 |
| **2013** | | |
| First Quarter | 49.48 | 41.51 |
| Second Quarter | 53.91 | 48.30 |
| Third Quarter | 51.49 | 45.91 |
| Fourth Quarter | 51.14 | 46.05 |
| **2014** | | |
| First Quarter | 49.30 | 45.98 |
| Second Quarter | 50.05 | 45.94 |
| Third Quarter | 51.97 | 48.40 |
| Fourth Quarter | 51.50 | 45.42 |
| **2015** | | |
| First Quarter | 49.81 | 45.71 |
| Second Quarter | 50.55 | 46.61 |
| Third Quarter | 48.10 | 43.50 |
| Fourth Quarter (through October 30, 2015) | 46.88 | 42.84 |

# Market-Linked Contingent Coupon Certificates of Deposit Linked to a Basket of 10 Common Stocks due November 30, 2022

Intel Corporation designs and manufactures advanced integrated digital technology platforms. Its Securities and Exchange Commission file number is 000-06217.

| Intel Corporation | High | Low |
|---|---|---|
| **(CUSIP 458140100)** | | |
| **2008** | | |
| First Quarter | 24.67 | 18.63 |
| Second Quarter | 25.00 | 20.69 |
| Third Quarter | 24.52 | 17.27 |
| Fourth Quarter | 18.52 | 12.23 |
| **2009** | | |
| First Quarter | 15.82 | 12.08 |
| Second Quarter | 16.66 | 15.00 |
| Third Quarter | 20.32 | 15.94 |
| Fourth Quarter | 20.83 | 18.50 |
| **2010** | | |
| First Quarter | 22.67 | 19.02 |
| Second Quarter | 24.22 | 19.45 |
| Third Quarter | 21.78 | 17.67 |
| Fourth Quarter | 21.91 | 18.87 |
| **2011** | | |
| First Quarter | 22.14 | 19.81 |
| Second Quarter | 23.88 | 19.49 |
| Third Quarter | 23.23 | 19.19 |
| Fourth Quarter | 25.66 | 20.62 |
| **2012** | | |
| First Quarter | 28.19 | 24.25 |
| Second Quarter | 29.18 | 25.04 |
| Third Quarter | 26.88 | 22.54 |
| Fourth Quarter | 22.84 | 19.36 |
| **2013** | | |
| First Quarter | 22.68 | 20.23 |
| Second Quarter | 25.47 | 20.94 |
| Third Quarter | 24.25 | 21.92 |
| Fourth Quarter | 25.96 | 22.48 |
| **2014** | | |
| First Quarter | 26.67 | 23.52 |
| Second Quarter | 30.93 | 25.82 |
| Third Quarter | 35.33 | 30.79 |
| Fourth Quarter | 37.67 | 30.85 |
| **2015** | | |
| First Quarter | 36.91 | 29.89 |
| Second Quarter | 34.46 | 30.39 |
| Third Quarter | 30.56 | 25.87 |
| Fourth Quarter (through October 30, 2015) | 34.90 | 30.00 |

Bristol-Myers Squibb Company is engaged in the discovery, development, licensing, manufacturing, marketing, distribution and sale of biopharmaceutical products. Its Securities and Exchange Commission file number is 001-01136.

| Bristol-Myers Squibb Company | High | Low |
|---|---|---|
| **(CUSIP 110122108)** | | |
| **2008** | | |
| First Quarter | 27.08 | 20.46 |
| Second Quarter | 23.35 | 19.57 |
| Third Quarter | 22.54 | 19.85 |
| Fourth Quarter | 23.25 | 17.26 |
| **2009** | | |
| First Quarter | 23.88 | 17.51 |
| Second Quarter | 21.97 | 19.15 |
| Third Quarter | 22.95 | 19.37 |
| Fourth Quarter | 25.96 | 21.77 |
| **2010** | | |
| First Quarter | 27.00 | 23.89 |
| Second Quarter | 26.95 | 22.44 |
| Third Quarter | 27.93 | 24.65 |
| Fourth Quarter | 27.51 | 25.24 |
| **2011** | | |
| First Quarter | 27.29 | 24.97 |
| Second Quarter | 29.33 | 26.46 |
| Third Quarter | 31.49 | 26.38 |
| Fourth Quarter | 35.29 | 30.15 |
| **2012** | | |
| First Quarter | 35.24 | 31.85 |
| Second Quarter | 35.95 | 32.47 |
| Third Quarter | 36.15 | 31.57 |
| Fourth Quarter | 34.38 | 30.81 |
| **2013** | | |
| First Quarter | 41.19 | 32.59 |
| Second Quarter | 47.68 | 39.68 |
| Third Quarter | 47.53 | 41.32 |
| Fourth Quarter | 53.84 | 46.41 |
| **2014** | | |
| First Quarter | 56.61 | 48.54 |
| Second Quarter | 52.19 | 46.59 |
| Third Quarter | 51.96 | 47.86 |
| Fourth Quarter | 61.30 | 48.92 |
| **2015** | | |
| First Quarter | 68.47 | 58.48 |
| Second Quarter | 69.15 | 63.00 |
| Third Quarter | 70.06 | 57.30 |
| Fourth Quarter (through October 30, 2015) | 67.59 | 59.88 |

# Market-Linked Contingent Coupon Certificates of Deposit Linked to a Basket of 10 Common Stocks due November 30, 2022

YUM! Brands, Inc. develops, operates, franchises and licenses a worldwide system of restaurants. Its Securities and Exchange Commission file number is 001-13163.

| YUM! Brands, Inc. | High ($) | Low ($) |
|---|---|---|
| **(CUSIP 988498101)** | | |
| **2008** | | |
| First Quarter | 39.00 | 33.12 |
| Second Quarter | 41.34 | 35.01 |
| Third Quarter | 39.23 | 32.13 |
| Fourth Quarter | 32.74 | 22.25 |
| **2009** | | |
| First Quarter | 32.87 | 23.47 |
| Second Quarter | 36.64 | 28.30 |
| Third Quarter | 36.56 | 32.50 |
| Fourth Quarter | 36.06 | 32.95 |
| **2010** | | |
| First Quarter | 38.64 | 32.72 |
| Second Quarter | 43.94 | 39.04 |
| Third Quarter | 46.58 | 38.53 |
| Fourth Quarter | 51.90 | 46.42 |
| **2011** | | |
| First Quarter | 52.85 | 46.40 |
| Second Quarter | 56.69 | 49.42 |
| Third Quarter | 56.75 | 47.82 |
| Fourth Quarter | 59.58 | 48.12 |
| **2012** | | |
| First Quarter | 71.44 | 58.57 |
| Second Quarter | 73.93 | 62.86 |
| Third Quarter | 68.52 | 61.95 |
| Fourth Quarter | 74.47 | 63.88 |
| **2013** | | |
| First Quarter | 71.94 | 62.08 |
| Second Quarter | 73.52 | 64.15 |
| Third Quarter | 74.82 | 69.61 |
| Fourth Quarter | 78.30 | 65.17 |
| **2014** | | |
| First Quarter | 77.40 | 66.16 |
| Second Quarter | 81.98 | 74.37 |
| Third Quarter | 83.29 | 69.40 |
| Fourth Quarter | 78.36 | 67.23 |
| **2015** | | |
| First Quarter | 81.80 | 70.01 |
| Second Quarter | 94.88 | 78.29 |
| Third Quarter | 91.99 | 76.00 |
| Fourth Quarter (through October 30, 2015) | 83.42 | 67.46 |

Netflix, Inc. is a subscription service streaming movies and TV episodes over the Internet and sending DVDs by mail. Its Securities and Exchange Commission file number is 000-49802.

| Netflix, Inc. | High | Low |
|---|---|---|
| **(CUSIP 64110L106)** | | |
| **2008** | | |
| First Quarter | 5.45 | 3.11 |
| Second Quarter | 5.81 | 3.72 |
| Third Quarter | 4.71 | 3.82 |
| Fourth Quarter | 4.29 | 2.56 |
| **2009** | | |
| First Quarter | 6.20 | 4.22 |
| Second Quarter | 7.09 | 5.30 |
| Third Quarter | 6.82 | 5.53 |
| Fourth Quarter | 8.73 | 6.37 |
| **2010** | | |
| First Quarter | 10.72 | 7.02 |
| Second Quarter | 18.12 | 10.71 |
| Third Quarter | 24.38 | 14.00 |
| Fourth Quarter | 29.41 | 21.33 |
| **2011** | | |
| First Quarter | 35.36 | 25.10 |
| Second Quarter | 39.10 | 32.59 |
| Third Quarter | 42.68 | 16.17 |
| Fourth Quarter | 17.61 | 9.12 |
| **2012** | | |
| First Quarter | 18.46 | 9.90 |
| Second Quarter | 16.43 | 8.95 |
| Third Quarter | 12.14 | 7.69 |
| Fourth Quarter | 13.66 | 8.01 |
| **2013** | | |
| First Quarter | 28.06 | 13.14 |
| Second Quarter | 34.77 | 23.29 |
| Third Quarter | 44.83 | 31.56 |
| Fourth Quarter | 54.37 | 41.20 |
| **2014** | | |
| First Quarter | 65.00 | 46.96 |
| Second Quarter | 64.10 | 44.89 |
| Third Quarter | 69.20 | 60.27 |
| Fourth Quarter | 66.69 | 45.21 |
| **2015** | | |
| First Quarter | 69.00 | 45.55 |
| Second Quarter | 97.31 | 59.02 |
| Third Quarter | 126.45 | 93.51 |
| Fourth Quarter (through October 30, 2015) | 114.93 | 97.32 |

# Additional Information About the CDs

Please read this information in conjunction with the summary terms on the front cover of this document.

| Additional Provisions: | |
|---|---|
| **Denominations:** | $1,000 and integral multiples thereof |
| **Interest:** | None |
| **Call option:** | The CDs are not callable at the option of MSBNA. |
| **Additional information regarding early withdrawals:** | By your purchase of a CD you are deemed to represent to us that your deposits with us, including the CDs, when aggregated in accordance with FDIC regulations are within the $250,000 FDIC insurance limit for each ownership capacity, as described in the disclosure statement under “Deposit Insurance.” For purposes of early withdrawal upon your death or adjudication of incompetence, we will limit the combined aggregate deposit amount of (i) these CDs and (ii) any other CDs of ours subject to this withdrawal limit to the FDIC insurance coverage amount applicable to each ownership capacity in which such CDs are held. All issues regarding eligibility for early withdrawal will be determined by us in our sole discretion. Written verification acceptable to us will be required to permit early withdrawal.<br><br>See “Description of the CDs– Estate feature of the CDs” in the accompanying disclosure statement.<br><br>**Please contact us if you have any questions concerning the application of the limit on early withdrawal to your CDs.** |
| **Payment at maturity:** | At maturity, you will receive a cash payment, for each $1,000 CD, of your deposit amount ($1,000 per CD) plus the contingent annual coupon with respect to the final observation date. You will receive no dividend payments during the term of the CDs.<br><br>We will, or will cause the calculation agent to (i) provide written notice to The Depository Trust Company (“DTC”) of the amount of cash to be delivered with respect to the $1,000 deposit amount of each CD, on or prior to 10:30 a.m. on the trading day preceding the maturity date (but if such trading day is not a business day, prior to the close of business on the business day preceding the maturity date), and (ii) deliver the aggregate cash amount due with respect to the CDs to the paying agent for delivery to DTC, as holder of the CDs, on the maturity date. We expect such amount of cash will be distributed to depositors on the maturity date in accordance with the standard rules and procedures of DTC and its direct and indirect participants. See “Book-entry only issuance—DTC” below, and see “Evidence of the CDs” in the accompanying disclosure statement. |
| **Postponement of maturity date:** | If, due to non-trading days, market disruption events or otherwise, the final observation date for any basket component is postponed so that it falls less than two business days prior to the scheduled maturity date, the maturity date will be the second business day following that final observation date as postponed, and no adjustment will be made to the contingent annual coupon paid on that postponed date. See “Postponement of observation dates” below. |
| **Postponement of observation dates:** | If any scheduled observation date is not a trading day, that observation date will be postponed to the next trading day. In addition, if a market disruption event occurs on any scheduled observation date with respect to any basket component, the final share price for that basket component only will be determined on the next trading day on which no market disruption event occurs with respect to that basket component. The determination of the final share price for the unaffected basket components will not be postponed.<br><br>If the final share price for any basket component has not been determined by the fifth trading day following the scheduled observation date, the calculation agent will determine the final share price for such basket component as (i) the closing price for such basket component determined on such fifth trading day in accordance with the second paragraph of “Closing price” below *times* (ii) the related adjustment factor. |
| **Postponement of coupon payment dates:** | If any scheduled coupon payment date is not a business day, the applicable contingent annual coupon will be paid on the next succeeding business day and no adjustment will be made to the contingent annual coupon paid on any succeeding business day; *provided* that the payment of the contingent annual coupon with respect to the final observation date will be made on the maturity date. If, due to non-trading days, market disruption events or otherwise, any observation date for any basket component is postponed so that it falls less than two business days prior to the scheduled coupon payment date, the coupon payment date or maturity date, as applicable, will be the second business day following that observation date as postponed, and no adjustment will be made to any contingent annual coupon paid on that postponed date. See “Postponement of the maturity date” and “Postponement of the observation dates” above. |
| **Interest period:** | The annual period from and including the original issue date (in the case of the first interest period) or the previous scheduled coupon payment date, as applicable, to but excluding the next succeeding |

| | |
|---|---|
| | scheduled coupon payment date, with no adjustment for any postponement thereof. |
| **Record date:** | The record date for each coupon payment date, including the coupon payment date scheduled to occur on the maturity date, will be the date one business day prior to such scheduled coupon payment date. |
| **Closing price:** | Subject to the provisions set out under "Antidilution adjustments" below, the closing price for one share of a basket component (or one unit of any other security for which a closing price must be determined) on any trading day will be determined by the calculation agent and will mean:<br><br>(i) if such basket component (or any such other security) is listed on a national securities exchange (other than The NASDAQ Stock Market LLC ("NASDAQ")), the last reported sale price, regular way, of the principal trading session on such day on the principal national securities exchange registered under the Securities Exchange Act of 1934, as amended, on which such basket component (or any such other security) is listed,<br><br>(ii) if such basket component (or any such other security) is a security of NASDAQ, the official closing price of such basket component published by NASDAQ on such day, or<br><br>(iii) if such basket component (or any such other security) is not listed on any national securities exchange but is included in the OTC Bulletin Board Service (the "OTC Bulletin Board") operated by the Financial Industry Regulatory Authority, Inc. ("FINRA"), the last reported sale price of the principal trading session on the OTC Bulletin Board on such day for such basket component.<br><br>If such basket component (or any such other security) is listed on any national securities exchange but the last reported sale price or the official closing price published by such exchange, or by NASDAQ, as applicable, is not available pursuant to the preceding sentence, then the closing price for one share of such basket component (or one unit of any such other security) on any trading day will mean the last reported sale price of the principal trading session on the over-the-counter market as reported on NASDAQ or the OTC Bulletin Board on such day. If a market disruption event (as defined below) occurs with respect to such basket component (or any such other security) or the last reported sale price or the official closing price published by NASDAQ, as applicable, for such basket component (or any such other security) is not available pursuant to either of the two preceding sentences, then the closing price for any trading day will be the mean, as determined by the calculation agent, of the bid prices for such basket component (or any such other security) for such trading day obtained from as many recognized dealers in such security, but not exceeding three, as will make such bid prices available to the calculation agent. Bids of MS & Co. and its successors or any of its affiliates may be included in the calculation of such mean, but only to the extent that any such bid is the highest of the bids obtained. If no bid prices are provided from any third party dealers, the closing price and adjustment factor for such basket component will be determined by the calculation agent in its sole and absolute discretion (acting in good faith) taking into account any information that it deems relevant. The term "OTC Bulletin Board Service" will include any successor service thereto, or, if applicable, the OTC Reporting Facility operated by FINRA. See "Antidilution adjustments" below. |
| **Business day:** | Any day other than a Saturday or Sunday which is neither a legal holiday nor a day on which banking institutions are required or authorized by law or regulation to close in New York, NY or the city and state of our principal place of business or a day on which transactions in dollars are not conducted. |
| **Trading day:** | A day, as determined by the calculation agent, on which trading is generally conducted on the New York Stock Exchange, the NASDAQ, the Chicago Mercantile Exchange Inc. and the Chicago Board Options Exchange and in the over-the-counter market for equity securities in the United States. |
| **Minimum ticketing size:** | $1,000 / 1 CD |
| **Calculation agent:** | MS & Co.<br><br>All determinations made by the calculation agent will be at the sole discretion of the calculation agent and will, in the absence of manifest error, be conclusive for all purposes and binding on you and on us.<br><br>All calculations with respect to any contingent annual coupon and the payment at maturity will be made by the calculation agent and will be rounded to the nearest one billionth, with five ten-billionths rounded upward (e.g., .9876543215 would be rounded to .987654322); all dollar amounts related to determination of the amount of cash payable per CD will be rounded to the nearest ten-thousandth, with five one hundred-thousandths rounded upward (e.g., .76545 would be rounded up to .7655); and all dollar amounts paid on the aggregate number of the CDs will be rounded to the nearest cent, with one-half cent rounded upward. |

## Market-Linked Contingent Coupon Certificates of Deposit Linked to a Basket of 10 Common Stocks due November 30, 2022

**Tax considerations:**

Under current law and based on current market conditions, the CDs should be treated as "variable rate debt instruments" for U.S. federal income tax purposes. U.S. Holders should read the sections of the accompanying disclosure statement entitled "United States Federal Taxation—Tax Consequences to U.S. Holders—CDs—Floating Rate CDs" and "United States Federal Taxation—Tax Consequences to U.S. Holders—Backup Withholding and Information Reporting." Except where stated otherwise, the following discussion is based on the treatment of the CDs as "variable rate debt instruments."

*Coupon Payments on the CDs*

Each coupon payment on the CDs will be taxable to a U.S. Holder as ordinary interest income at the time it accrues or is received in accordance with the U.S. Holder's regular method of accounting for U.S. federal income tax purposes. Because the amount of a coupon payment in respect of an accrual period will not be known until the relevant coupon determination date, it is not clear how accrued interest will be determined prior to the relevant coupon determination date.

*Sale or Exchange of the CDs*

Upon a sale or exchange of the CDs, a U.S. Holder will recognize capital gain or loss equal to the difference between the amount realized on the sale or exchange (other than any amount attributable to accrued interest, which will be treated as a payment of interest) and the U.S. Holder's tax basis in the CDs, which will equal the U.S. Holder's purchase price for the CDs. Because the amount of a coupon payment in respect of an accrual period will not be known until the relevant coupon determination date, it is not clear how much interest will be treated as having accrued on the CDs at the time of a sale or exchange that occurs during the period. The capital gain or loss recognized upon a sale or exchange of the CDs will be long-term capital gain or loss if the U.S. Holder has held the CDs for more than one year at the time of sale or exchange.

*Possible Alternative Tax Treatment of an Investment in the CDs*

The Internal Revenue Service could seek to treat the CDs as subject to Treasury regulations governing "contingent payment debt instruments" as described in the section of the accompanying disclosure statement called "United States Federal Taxation—Tax Consequences to U.S. Holders—Contingent Payment CDs." Under this treatment, if you are a U.S. taxable investor, you generally would be subject to annual income tax based on the "comparable yield" (as defined in the accompanying disclosure statement) of the CDs, adjusted upward or downward to reflect the difference, if any, between the actual and the projected amounts of the contingent payments on the CDs. In addition, any gain recognized by U.S. taxable investors on the sale or exchange, or at maturity, of the CDs generally would be treated as ordinary income.

**If you are a non-U.S. investor, please also read the section of the accompanying disclosure statement called "United States Federal Taxation — Tax Consequences to Non-U.S. Holders."**

**You should consult your tax adviser regarding all aspects of the U.S. federal income tax consequences of an investment in the CDs, as well as any tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.**

**Market disruption event:**

Market disruption event means, with respect to any basket component:

(i) the occurrence or existence of any of:

(a) a suspension, absence or material limitation of trading of such basket component on the primary market for such basket component for more than two hours of trading or during the one-half hour period preceding the close of the principal trading session in such market; or

(b) a breakdown or failure in the price and trade reporting systems of the primary market for such basket component as a result of which the reported trading prices for such basket component during the last one-half hour preceding the close of the principal trading session in such market are materially inaccurate; or

(c) the suspension, absence or material limitation of trading on the primary market for trading in options contracts related to such basket component, if available, during the one-half hour

| | |
|---|---|
| | period preceding the close of the principal trading session in the applicable market,<br><br>in each case as determined by the calculation agent in its sole discretion; and<br><br>(ii) a determination by the calculation agent in its sole discretion that any event described in clause (i) above materially interfered with our ability or the ability of any of our affiliates to unwind or adjust all or a material portion of the hedge position in such basket component with respect to the CDs.<br><br>For the purpose of determining whether a market disruption event has occurred: (1) a limitation on the hours or number of days of trading will not constitute a market disruption event if it results from an announced change in the regular business hours of the relevant exchange or market, (2) a decision to permanently discontinue trading in the relevant futures contract or options contract or exchange-traded fund will not constitute a market disruption event, (3) a suspension of trading in options contracts on any basket component by the primary securities market trading in such options, if available, by reason of (a) a price change exceeding limits set by such securities exchange or market, (b) an imbalance of orders relating to such contracts or (c) a disparity in bid and ask quotes relating to such contracts will constitute a suspension, absence or material limitation of trading in options contracts related to such basket component and (4) a "suspension, absence or material limitation of trading" on the primary securities market on which options contracts related to any basket component are traded will not include any time when such securities market is itself closed for trading under ordinary circumstances. |
| **Relevant exchange:** | Relevant exchange means the primary exchange(s) or market(s) of trading for any security then included in the basket |
| **Book-entry only issuance—DTC:** | DTC will act as depositary for the CDs. The CDs will be evidenced by one or more master certificates issued by MSBNA, each representing a number of individual CDs. One or more master certificates will be issued and will be deposited with DTC. See the description contained in the accompanying disclosure statement under the heading "Evidence of the CDs." |
| **Governing law:** | The CDs will be governed by and interpreted in accordance with the laws of the State of New York. |
| **Antidilution adjustments:** | The adjustment factor with respect to a basket component will be adjusted as follows:<br><br>1. If a basket component is subject to a stock split or reverse stock split, then once such split has become effective, the adjustment factor for such basket component will be adjusted to equal the product of the prior adjustment factor for such basket component and the number of shares issued in such stock split or reverse stock split with respect to one share of such basket component.<br><br>2. If a basket component is subject (i) to a stock dividend (issuance of additional shares of such basket component) that is given ratably to all holders of shares of such basket component or (ii) to a distribution of such basket component as a result of the triggering of any provision of the corporate charter of the issuer of such basket component, then once the dividend has become effective and such basket component is trading ex-dividend, the adjustment factor for such basket component will be adjusted so that the new adjustment factor for such basket component will equal the prior adjustment factor for such basket component plus the product of (i) the number of shares issued with respect to one share of such basket component and (ii) the prior adjustment factor for such basket component.<br><br>3. If a basket component issuer issues rights or warrants to all holders of a basket component to subscribe for or purchase such basket component at an exercise price per share less than the closing price of such basket component on both (i) the date the exercise price of such rights or warrants is determined and (ii) the expiration date of such rights or warrants, and if the expiration date of such rights or warrants precedes the maturity of the CD, then the adjustment factor for such basket component will be adjusted to equal the product of the prior adjustment factor for such basket component and a fraction, the numerator of which will be the number of shares of such basket component outstanding immediately prior to the issuance of such rights or warrants plus the number of additional shares of such basket component offered for subscription or purchase pursuant to such rights or warrants and the denominator of which will be the number of shares of such basket component outstanding immediately prior to the issuance of such rights or warrants plus the number of additional shares of such basket component which the aggregate offering price of the total number of shares of such basket component so offered for subscription or purchase pursuant to such rights or warrants would purchase at the closing price on the expiration date of such rights or warrants, which |

will be determined by multiplying such total number of shares offered by the exercise price of such rights or warrants and dividing the product so obtained by such closing price.

4. There will be no required adjustments to the adjustment factor to reflect cash dividends or other distributions paid with respect to the basket component other than distributions described in paragraph 2, paragraph 3 and clauses (i), (iv) and (v) of the first sentence of paragraph 5 and extraordinary dividends as described below. A cash dividend or other distribution with respect to any basket component will be deemed to be an “extraordinary dividend” if such cash dividend or distribution exceeds the immediately preceding non-extraordinary dividend for such basket component by an amount equal to at least 10% of the closing price of such basket component (as adjusted for any subsequent corporate event requiring an adjustment hereunder, such as a stock split or reverse stock split) on the trading day preceding the ex-dividend date (that is, the day on and after which transactions in such basket component on the primary U.S. organized securities exchange or trading system on which such basket component is traded or trading system no longer carry the right to receive that cash dividend or that cash distribution) for the payment of such extraordinary dividend (such closing price, the “base closing price”). Subject to the following sentence, if an extraordinary dividend occurs with respect to any basket component, the adjustment factor with respect to such basket component will be adjusted on the ex-dividend date with respect to such extraordinary dividend so that the new adjustment factor will equal the product of (i) the then current adjustment factor and (ii) a fraction, the numerator of which is the base closing price, and the denominator of which is the amount by which the base closing price exceeds the extraordinary dividend amount. If any extraordinary dividend amount is at least 35% of the base closing price, then, instead of adjusting the adjustment factor, the calculation of the contingent annual coupon with respect to the affected basket component will be determined as described in paragraph 5 below, and the extraordinary dividend will be allocated to the replacement stock in accordance with the procedures for a replacement basket event as described in clause (c)(ii) of paragraph 5 below. The “extraordinary dividend amount” with respect to an extraordinary dividend for any basket component will equal (i) in the case of cash dividends or other distributions that constitute regular dividends, the amount per share of such extraordinary dividend minus the amount per share of the immediately preceding non-extraordinary dividend for such basket component or (ii) in the case of cash dividends or other distributions that do not constitute regular dividends, the amount per share of such extraordinary dividend. The value of the non-cash component of an extraordinary dividend will be determined on the ex-dividend date for such distribution by the calculation agent, whose determination will be conclusive in the absence of manifest error. A distribution on any basket component described in clause (i), (iv) or (v) of the first sentence of paragraph 5 below will cause an adjustment to the adjustment factor pursuant only to clause (i), (iv) or (v) of the first sentence of paragraph 5, as applicable.

5. Any of the following will constitute a reorganization event: (i) a basket component is reclassified or changed, including, without limitation, as a result of the issuance of any tracking stock by the issuer of such basket component, (ii) a basket component issuer or any surviving entity or subsequent surviving entity of the issuer of such basket component (an “issuer successor”) has been subject to any merger, combination or consolidation and is not the surviving entity, (iii) a basket component issuer or any issuer successor completes a statutory exchange of securities with another corporation (other than pursuant to clause (ii) above), (iv) a basket component issuer is liquidated, (v) a basket component issuer issues to all of its shareholders equity securities of an issuer other than the issuer of such basket component (other than in a transaction described in clause (ii), (iii) or (iv) above) (a “spinoff stock”) or (vi) a basket component issuer or any issuer successor is the subject of a tender or exchange offer or going-private transaction on all of the outstanding shares of such basket component. If any reorganization event occurs, in each case as a result of which the holders of a basket component receive any equity security listed on a national securities exchange or traded on NASDAQ (a “marketable security”), other securities or other property, assets or cash (collectively, “exchange property”), the adjustment factor for such basket component and/or any for any new stock (as defined below) or replacement stock (as defined below) on any observation date (or, if applicable, in the case of spinoff stock, the ex-dividend date for the distribution of such spinoff stock) will be determined in accordance with the following:

(a) if such basket component continues to be outstanding (if applicable, as reclassified upon the issuance of any tracking stock), the adjustment factor in effect on such observation date (taking into account any adjustments for any distributions described under clause (c)(i) below); and

(b) for each marketable security received in such reorganization event (each a “new stock”), including the issuance of any tracking stock or spinoff stock or the receipt of any stock received in exchange for such basket component, the number of shares of the new stock received with respect to one share of the basket component multiplied by the adjustment factor in effect for such basket component on the trading day immediately prior to the effective date of the reorganization event (the "new stock adjustment factor"), as adjusted to such observation date (taking into account any adjustments for distributions described under clause (c)(i) below); and

(c) for any cash and any other property or securities other than marketable securities received in such reorganization event (the "non-stock exchange property"),

(i) if the combined value of the amount of non-stock exchange property received per share of such basket component, as determined by the calculation agent in its sole discretion on the effective date of such reorganization event (the "non-stock exchange property value"), by holders of the basket component is less than 25% of the closing price of the basket component on the trading day immediately prior to the effective date of the reorganization event, a number of shares of the basket component, if applicable, and of any new stock received in connection with such reorganization event, if applicable, in proportion to the relative closing prices of the basket component and any such new stock, and with an aggregate value equal to the non-stock exchange property value multiplied by the adjustment factor in effect for such basket component on the trading day immediately prior to the effective date of the reorganization event, based on such closing prices, in each case as determined by the calculation agent in its sole discretion, on the effective date of such reorganization event; and the number of such shares of the basket component or any new stock determined in accordance with this clause (c)(i) will be added at the time of such adjustment to the adjustment factor in subparagraph (a) above and/or the new stock adjustment factor in subparagraph (b) above, as applicable, or

(ii) if the non-stock exchange property value is equal to or exceeds 25% of the closing price of such basket component on the trading day immediately prior to the effective date of the reorganization event or, if the basket component is surrendered exclusively for non-stock exchange property (in each case, a "replacement stock event"), a replacement stock (as defined below) with an aggregate value on the effective date of such reorganization event equal to the non-stock exchange property value multiplied by the adjustment factor in effect for the basket component on the trading day immediately prior to the effective date of such reorganization event. The "replacement stock" will be a stock with the largest market capitalization among the stocks that then constitute the S&P 500® Index (or, if publication of such index is discontinued, any successor or substitute index selected by the calculation agent in its sole discretion) with the same primary Standard Industrial Classification Code ("SIC Code") as the basket component; *provided*, however, that a replacement stock will not include any stock that is subject to a trading restriction under the trading restriction policies of MSBNA or any of its affiliates that would materially limit the ability of MSBNA or any of its affiliates to hedge the CDs with respect to such stock (a "hedging restriction"); *provided further* that if a Replacement stock cannot be identified from the S&P 500® Index by primary SIC Code for which a hedging restriction does not exist, the replacement stock will be selected by the calculation agent from the largest market capitalization stock(s) within the same Division and Major Group classification (as defined by the Office of Management and Budget) as the primary SIC Code for the affected basket component. The replacement stock will be assigned an adjustment factor equal to the number of shares of such replacement stock with a closing price on the effective date of such reorganization event equal to the product of (a) the non-stock exchange property value and (b) the adjustment factor in effect for the basket component on the trading day immediately prior to the effective date of such reorganization event (the "replacement stock adjustment factor").

Following the allocation of any extraordinary dividend to the replacement stock pursuant to paragraph 4 above or any reorganization event described in this paragraph 5, the closing price for such basket component on such observation date determined by the calculation agent will be the sum of an amount equal to:

(x) if applicable, the closing price of the basket component times the adjustment factor then in effect for such basket component;

(y) if applicable, for a new stock, the closing price of such new stock times the new stock adjustment factor then in effect for such new stock; and

(z) if applicable, for a replacement stock, the closing price of such replacement stock times the replacement stock adjustment factor then in effect for such replacement stock.

For purposes of paragraph 5 above, in the case of a consummated tender or exchange offer or going-private transaction involving exchange property of a particular type, exchange property will be deemed to include the amount of cash or other property paid by the offeror in the tender or exchange offer with respect to such exchange property (in an amount determined on the basis of the rate of exchange in such tender or exchange offer or going-private transaction). In the event of a tender or exchange offer or a going-private transaction with respect to exchange property in which an offeree may elect to receive cash or other property, exchange property will be deemed to include the kind and amount of cash and other property received by offerees who elect to receive cash.

Following the occurrence of any reorganization event referred to in paragraphs 4 or 5 above, (i) references to “basket component” under “Closing price” and “Market disruption event” will be deemed to also refer to any new stock or replacement stock, and (ii) all other references in this pricing supplement to “basket component” will be deemed to refer to any new stock or replacement stock and references to a “share” or “shares” of a basket component will be deemed to refer to the applicable unit or units of such exchange property, including any new stock or replacement stock, unless the context otherwise requires. The new stock adjustment factor(s) or replacement stock adjustment factor resulting from any reorganization event described in paragraph 5 above or similar adjustment under paragraph 4 above will be subject to the adjustments set forth in paragraphs 1 through 5 hereof.

If a closing price for a basket component is no longer available for a basket component for whatever reason, including the liquidation of the issuer of such basket component or the subjection of the issuer to a proceeding under any applicable bankruptcy, insolvency or other similar law and a closing price is not determined pursuant to adjustments made under paragraph 5 above, then the value of such basket component will equal zero for so long as no closing price is available. There will be no substitution for any such basket component.

No adjustment to the adjustment factor for any basket component (including for this purpose, any New Stock adjustment factor or Replacement Stock adjustment factor) will be required unless such adjustment would require a change of at least .1% in the adjustment factor of such basket component then in effect. The adjustment factor resulting from any of the adjustments specified above will be rounded to the nearest one billionth, with five ten-billionths rounded upward. Antidilution adjustments will be made up to and including the final observation date.

No adjustments to the adjustment factor for any basket component or method of calculating the adjustment factor will be required other than those specified above. The adjustments specified above do not cover all of the events that could affect the closing price of a basket component, including, without limitation, a partial tender or exchange offer for a basket component.

The calculation agent will be solely responsible for the determination and calculation of any adjustments to the adjustment factor for a basket component, any new stock adjustment factor, replacement stock adjustment factor or method of calculating the non-stock exchange property value and of any related determinations and calculations with respect to any distributions of stock, other securities or other property or assets (including cash) in connection with any corporate event described in paragraphs 1 through 5 above, and its determinations and calculations with respect thereto will be conclusive in the absence of manifest error.

The calculation agent will provide information as to any adjustments to the adjustment factor, or to the method of calculating the closing price of any basket component on the observation dates made pursuant to paragraph 5 above, upon written request by any investor in the CDs.

**Use of proceeds and hedging:**

The deposit amount of the CDs includes the compensation paid to brokers with respect to the CDs and the cost of hedging our obligations under the CDs. The cost of hedging includes the projected profit that our affiliates expect to realize in consideration for assuming the risks inherent in managing the hedging transactions. Since hedging our obligations entails risk and may be influenced by market forces beyond our or our affiliates’ control, such hedging may result in a profit that is more or less than initially projected, or could result in a loss.

On or prior to the pricing date, we expect to hedge our anticipated exposure in connection with the CDs by entering into hedging transactions with our affiliates and/or third party brokers. We expect our hedging counterparties to take positions in the basket components, in futures and/or options contracts on the basket components that are listed on major securities markets, or positions in any other available securities or instruments that they may wish to use in connection with such hedging. Such purchase activity could increase the prices at or above which the basket components must close on any observation date before an investor would receive a contingent annual coupon at a rate that is greater than the minimum coupon rate. In addition, through our affiliates, we are likely to modify our hedge position throughout the term of the CDs, including on the observation dates, by purchasing and selling the basket components, futures or options contracts on the basket components that are listed on major securities markets or positions in any other available securities or instruments that we may wish to use in connection with such hedging activities. As a result, these entities may be unwinding or adjusting hedge positions during the term of the CDs, and the hedging strategy may involve greater and more frequent dynamic adjustments to the hedge as the final observation date approaches. We cannot give any assurance that our hedging activities will not affect the prices of the basket components, and, therefore, adversely affect the value of the CDs or the amount of cash you will receive on the applicable coupon payment dates.

**Benefit plan investor considerations:**

Each fiduciary of a pension, profit-sharing or other employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA") (a "Plan"), should consider the fiduciary standards of ERISA in the context of the Plan's particular circumstances before authorizing an investment in the CDs. Accordingly, among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and instruments governing the Plan.

In addition, we and certain of our affiliates, including MS & Co., may be considered a "party in interest" within the meaning of ERISA, or a "disqualified person" within the meaning of the Internal Revenue Code of 1986, as amended (the "Code"), with respect to many Plans, as well as many individual retirement accounts and Keogh plans (also "Plans"). ERISA Section 406 and Code Section 4975 generally prohibit transactions between Plans and parties in interest or disqualified persons. Prohibited transactions within the meaning of ERISA or the Code would likely arise, for example, if the CDs are acquired by or with the assets of a Plan with respect to which MS & Co. or any of its affiliates is a service provider or other party in interest, unless the CDs are acquired pursuant to an exemption from the "prohibited transaction" rules. A violation of these "prohibited transaction" rules could result in an excise tax or other liabilities under ERISA and/or Section 4975 of the Code for such persons, unless exemptive relief is available under an applicable statutory or administrative exemption.

The U.S. Department of Labor has issued five prohibited transaction class exemptions ("PTCEs") that may provide exemptive relief for direct or indirect prohibited transactions resulting from the purchase or holding of the CDs. Those class exemptions are PTCE 96-23 (for certain transactions determined by in-house asset managers), PTCE 95-60 (for certain transactions involving insurance company general accounts), PTCE 91-38 (for certain transactions involving bank collective investment funds), PTCE 90-1 (for certain transactions involving insurance company separate accounts) and PTCE 84-14 (for certain transactions determined by independent qualified professional asset managers). In addition, ERISA Section 408(b)(17) and Section 4975(d)(20) of the Code may provide an exemption for the purchase and sale of CDs and the related lending transactions, *provided* that neither the issuer of the CDs nor any of its affiliates has or exercises any discretionary authority or control or renders any investment advice with respect to the assets of the Plan involved in the transaction and *provided further* that the Plan pays no more, and receives no less, than "adequate consideration" in connection with the transaction (the so-called "service provider" exemption). There can be no assurance that any of these class or statutory exemptions will be available with respect to transactions involving the CDs.

Because we may be considered a party in interest with respect to many Plans, the CDs may not be purchased, held or disposed of by any Plan, any entity whose underlying assets include "plan assets" by reason of any Plan's investment in the entity (a "Plan Asset Entity") or any person investing "plan assets" of any Plan, unless such purchase, holding or disposition is eligible for exemptive relief, including relief available under PTCEs 96-23, 95-60, 91-38, 90-1, 84-14 or the service provider exemption or such purchase, holding or disposition is otherwise not prohibited. Any purchaser, including any fiduciary purchasing on behalf of a Plan, transferee or holder of the CDs will be deemed to have represented, in its corporate and its fiduciary capacity, by its purchase and holding of the CDs that either (a) it is not a Plan or a Plan Asset Entity and is not purchasing such CDs on behalf of or with "plan assets" of any Plan or with any assets of a governmental, non-U.S. or church plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code ("Similar Law") or (b) its purchase, holding and disposition are eligible for exemptive relief or such purchase, holding and disposition are not prohibited

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| | by ERISA or Section 4975 of the Code or any Similar Law.<br><br>Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries or other persons considering purchasing the CDs on behalf of or with "plan assets" of any Plan consult with their counsel regarding the availability of exemptive relief.<br><br>Each purchaser and holder of the CDs has exclusive responsibility for ensuring that its purchase, holding and disposition of the CDs do not violate the prohibited transaction rules of ERISA or the Code or any Similar Law. The sale of any CDs to any Plan or plan subject to Similar Law is in no respect a representation by us or any of our affiliates or representatives that such an investment meets all relevant legal requirements with respect to investments by plans generally or any particular plan, or that such an investment is appropriate for plans generally or any particular plan.<br><br>However, individual retirement accounts, individual retirement annuities and Keogh plans, as well as employee benefit plans that permit participants to direct the investment of their accounts, will not be permitted to purchase or hold the CDs if the account, plan or annuity is for the benefit of an employee of Morgan Stanley or Morgan Stanley Wealth Management or a family member and the employee receives any compensation (such as, for example, an addition to bonus) based on the purchase of the CDs by the account, plan or annuity. |
| **Supplemental information regarding plan of distribution; conflicts of interest:** | Under the arrangements established by the brokers with MSBNA, each broker will receive a fee of up to $35 per $1,000 CD, or not more than 3.5% of the deposit amount of the CDs, which includes compensation paid to other brokers. An affiliate of MSBNA may also receive fees from MSBNA in respect of hedging arrangements entered into with respect to the CDs.<br><br>MS & Co. is our affiliate and it and other affiliates of ours expect to make a profit by selling, structuring and, when applicable, hedging the CDs. When MS & Co. prices this offering of CDs, it will determine the economic terms of the CDs such that for each CD the estimated value on the pricing date will be no lower than the minimum level described in "Investment Summary" beginning on page 3. |
| **Contact:** | MSBNA clients may contact MSBNA at 1585 Broadway, New York, New York 10036, Attention: Ross Brown, Controller, 212-276-2427. |
| **Where you can find more information:** | We file annual and quarterly Consolidated Reports of Condition and Income (FFIEC 041) ("Call Reports") with the Office of the Comptroller of the Currency ("OCC"). Our Call Reports are available on the Federal Financial Institutions Examination Council ("FFIEC") website at https://cdr.ffiec.gov/public/ or by calling the OCC Customer Assistance Group in English or Spanish at 1 (800) 613-6743 or TDD Number (713) 658-0340 or upon request to us. Reference to these "uniform resource locators" or "URLs" is made as an inactive textual reference for informational purposes only. Other information found at these websites is not incorporated by reference in this disclosure statement.<br><br>We incorporate by reference into this disclosure statement our Call Reports for the years ended December 31, 2014, 2013 and 2012 and any future Call Reports we file with the OCC (as well as, in the case of any future quarterly Call Report, the corresponding Call Report for the same quarter one year before) until we complete our offering of the CDs. Although the information in our Call Reports is derived from the financial reporting system used to produce our financial statements in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"), the information in our Call Reports may differ, sometimes materially, from our audited financial statements for the corresponding period or at the corresponding date as a result of differences in the classification or presentation of items in accordance with the instructions for preparing the Call Reports.<br><br>Terms used but not defined in this document are defined in the disclosure statement. As used in this document, the "Company," "we," "us" and "our" refer to MSBNA. |