



The CDs offered hereby are time deposit obligations of Morgan Stanley Bank, an industrial bank organized under the laws of Utah, the deposits of which are insured by the Federal Deposit Insurance Corporation (the "FDIC") 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 the Supplemental Amount payable at maturity based upon changes in the Index and any secondary market premium paid by a depositor above the principal amount of the CDs are not insured by the FDIC. For more information on deposit insurance, see the accompanying disclosure statement under the heading "Deposit Insurance."

The CDs offered hereby are obligations of Morgan Stanley Bank only and are not obligations of the brokers, Morgan Stanley or any other company affiliated with Morgan Stanley Bank.

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.