

November 18, 2011

Investment Grade Credit

European Banks

BNP: Non-Call Concerns Rising

Choose your investments on the basis of final maturities – forget the upside of calls and liability management (LM). BNP's LM exercise is potentially another creeping non-call, in our view, and the slim premiums offered to investors have a negative read-across for other (especially low cash price) securities.

The lack of generosity in this deal by a national champion confirms a worrying trend. BNP launched three separate transactions involving 11 securities in one Tier 1 cash tender and two exchanges of Tier 1 and Tier 2 into senior. Premiums for investors were low, particularly for the exchanged bonds. The benefit to BNP is core Tier 1 capital generation, given the below-par tender prices and liquidity preservation in the case of the exchanges.

Non-call concerns heightened. We have written time and again this year on our concern of non-calls, since Basel's January press release. We believe that, despite a swathe of uneconomic calls in a very difficult market environment since then, the tide is now turning. BNP has actually stated that, subject to regulatory approval, there is no change to its call policy as a result of these transactions, but we believe that for the callable securities involved, the exercises could potentially be construed at a future date as having offered investors a 'way out' of instruments with embedded extension risk.

More liability management to come, we believe, and it is unlikely to be generous. Recently announced tenders and exchanges by national champions open the door for other issuers to follow suit with equally slim premiums for investors to current market prices. This is in contrast to the liability management exercises in 2009.

Reiterating our focus on YTPs in valuing Tier 1/ UT2 and YTM for LT2s (see [Where Should Non-Called Tier 1s Trade](#), July 1, 2011, and [Still Value in LT2s](#), October 25, 2011). Increasing concerns over non-call risk embedded within callable securities underpin our OW view on LT2s trading to final maturity, and our strong preference for bullet LT2s.

MORGAN STANLEY RESEARCH

Morgan Stanley & Co.
International plc+

Natacha Blackman

Natacha.Blackman@morganstanley.com
+44 (20) 7425 7967

Jackie Ineke

Jackie.ineke@morganstanley.com
+41 (44) 220 9246

Lee Street

Lee.Street@morganstanley.com
+44 (20) 7677 0406

Charlie Glyn

Charlie.Glyn@morganstanley.com
+44 (20) 7677 3745

Risk Factors:

- Other banks continue calling LT2 debt; a material shift in regulators' views on calls.
- LM with very significant premia.

Due to the nature of the fixed income market, the issuers or bonds of the issuers recommended or discussed in this report may not be continuously followed. Accordingly, investors must regard this report as providing stand-alone analysis and should not expect continuing analysis or additional reports relating to such issuers or bonds of the issuers.

Morgan Stanley does and seeks to do business with companies covered in Morgan Stanley Research. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of Morgan Stanley Research. Investors should consider Morgan Stanley Research as only a single factor in making their investment decision.

For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report.

+ = Analysts employed by non-U.S. affiliates are not registered with FINRA, may not be associated persons of the member and may not be subject to NASD/NYSE restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

November 18, 2011
European Banks
BNP: Non-Call Concerns Rising

European Banks

BNP: Non-Call Concerns Rising

BNP's Tier 1 cash tender offers investors the greatest premiums, of 4.5-5.5 points versus pre-tender indicative trading levels (see Exhibit 1 on page 3). This is of course far less generous than others we've seen in the past (BPCE was up to 15 points) and of course, in today's market, bonds can easily move around 2-5 points in one day anyway, and bid/offers can be wide.

For the exchange bonds, while investors are optically offered a few points premium to market levels, this is largely offset by the below-market issue spread on the new senior notes, in our view. Our calculations need to be considered against a backdrop of an illiquid market; hence, we'd note the potential for the new seniors to trade poorly post the exchange, making the premiums to investors look even worse. Indeed, post the exchange we saw the BNP € 2.625% 16s widen from ~B+300bp to B~320bp, implying a 2-point drop versus the exchange price on the € LT2s. On the other hand, while holders are in no way forced to tender, we'd note that liquidity in the bonds not put in for tender/exchange will be less than prior to the exercise.

BNP's liability management exercise opens the door for SocGen and other French names to launch similar transactions, in our view. We found it interesting that SocGen announced the call of its \$ 6.302% and \$ FRN Tier 1s, both callable on December 15, just a few days into the possible notice period on October 18 (rather than what's more normal, at the end of the notice period). This happened three weeks

before the bank reported its 3Q results and announced that it would not be paying an equity dividend in 2012. (As an aside, our equity analysts had already cut their dividend expectations to zero for 2012 prior to the results announcement). However, we were still relatively surprised by the no-dividend announcement and we wonder whether the bank would have faced regulatory pressure on its call decision relating to its \$ perps had it been announced *following* the no-dividend statement. Aside from our unease over future calls, more generally, we remain concerned about optional Tier 1 coupons of any bank which is not paying an equity dividend and which may be struggling to reach the EBA's 9% CT1 target by June of next year.

We view BNP's liability management exercise as another creeping non-call. Given BNP's strong reputation for calling and the slim premium offered to investors in this transaction, we view it as a negative read-across to other French bank capital securities. In this vein, we are also watching BNP's € 6.342% Tier 1, callable on January 29, which was not included in yesterday's transactions (in our view, this is likely related to its relatively higher cash price, as these are trading at ~94.5, YTM: 5.4%), as well as Intesa's upcoming £ 5.5% LT2 (trading at an indicative level of 93, YTM: 4.5%) callable on December 19, given the pressures faced by the bank in the current market environment. Considering all that has gone on this week, we think there is a strong chance that these do not get called and they are not offering attractive yields to perpetuity/maturity.

November 18, 2011
European Banks
BNP: Non-Call Concerns Rising

Exhibit 1

BNP's Liability Management Details

Transaction	Security	Ccy	Type	Amt O/s (m)	ISIN	Ask price prior to Step exchange	Tender/ exchange price	Exchanged for	Premium vs. ask price	Assumed drop in price of new note based on existing senior trading levels	Net premium	Notes
Cash tender	BNP 4.73 perpNC16	EUR	Tier 1	750	FR0010306738	€Libor+169bp	69.5	74 Tender for cash. Price to be determined via modified Dutch auction.	4.5	NA	4.5	
	BNP 5.954 perpNC16	GBP	Tier 1	325	FR0010348557	£Libor+181bp	67	72.5 Tender for cash. Price to be determined via modified Dutch auction.	5.5	NA	5.5	
	BNP 5.019 perpNC17	EUR	Tier 1	750	FR0010456764	€Libor+172bp	69.5	74 Tender for cash. Price to be determined via modified Dutch auction.	4.5	NA	4.5	
\$exchanges	BNP 5.186 perpNC15	USD	Tier 1	1,350	US05565AAA16	\$Libor+168bp	69	73% \$FRN senior due 2014; new issue spread: 275bp	7	3	4	Compare new note to current BNP Jan 14s (adjusting for the maturity of the new note in 12/14)
	BNP FRN 17NC12	USD	LT2	1,250	XS0296895047	\$Libor+67.5bp	92	97.50% \$FRN senior due 2014; new issue spread: 275bp	5.5	3	2.5	Compare new note to current BNP Jan 14s (adjusting for the maturity of the new note in 12/14)
	BNP 5.125 15	USD	LT2	750	US05566GAA76	NA	96.5	m/s+440bp \$FRN senior due 2014; new issue spread: 275bp	3.0	3	0	Compare new note to current BNP Jan 14s (adjusting for the maturity of the new note in 12/14)
	BNP 4.8 15	USD	LT2	750	US05567MAA36	NA	95	m/s+440bp \$FRN senior due 2014; new issue spread: 275bp	3.1	3	0.1	Compare new note to current BNP Jan 14s (adjusting for the maturity of the new note in 12/14)
€and £exchanges	BNP 5.431 17	EUR	LT2	1,600	XS0320303943	NA	100.08	m/s+305bp €2.625% senior due 2016; new issue spread: 160bp	1.2	2	-0.8	BNP 2.625% 16s were trading at B+300bp, after exchange trading at B+320, 2 points below exchange price
	BNP 6.742 17	GBP	LT2	300	XS0320304164	£Libor+118bp	95	95.50% £fixed senior due 2016; new issue spread 185bp	0.5	4	-3.5	Using the BNP 2.625% 16s as indicative price reaction for new £senior
	BNP 4.375 19NC14	EUR	LT2	500	XS0283256062	€Libor+71BP	NA	m/s+410bp €FRN senior due 2014; new coupon 3m Libor+1.4%	0.5	1	-0.5	Using the BNP May 14s as indicative price reaction for new FRN senior
	BNP 5.75 22	GBP	LT2	350	XS0142073419	NA	86.22	m/s+460bp £fixed senior due 2016; new issue spread 185bp	2	4	-2	Using the BNP 2.625% 16s as indicative price reaction for new £senior

Source: Bloomberg, BNP Paribas tender and exchanges releases, Morgan Stanley Research estimates

November 18, 2011
European Banks
BNP: Non-Call Concerns Rising

Disclosure Section

Morgan Stanley & Co. International plc, authorized and regulated by Financial Services Authority, disseminates in the UK research that it has prepared, and approves solely for the purposes of section 21 of the Financial Services and Markets Act 2000, research which has been prepared by any of its affiliates. As used in this disclosure section, Morgan Stanley includes RMB Morgan Stanley (Proprietary) Limited, Morgan Stanley & Co International plc and its affiliates.

For important disclosures, stock price charts and equity rating histories regarding companies that are the subject of this report, please see the Morgan Stanley Research Disclosure Website at www.morganstanley.com/researchdisclosures, or contact your investment representative or Morgan Stanley Research at 1585 Broadway, (Attention: Research Management), New York, NY, 10036 USA.

For valuation methodology and risks associated with any price targets referenced in this research report, please email morganstanley.research@morganstanley.com with a request for valuation methodology and risks on a particular stock or contact your investment representative or Morgan Stanley Research at 1585 Broadway, (Attention: Research Management), New York, NY 10036 USA.

Analyst Certification

The following analysts hereby certify that their views about the companies and their securities discussed in this report are accurately expressed and that they have not received and will not receive direct or indirect compensation in exchange for expressing specific recommendations or views in this report: Natacha Blackman, Jackie Ineke

Unless otherwise stated, the individuals listed on the cover page of this report are research analysts.

Global Research Conflict Management Policy

Morgan Stanley Research has been published in accordance with our conflict management policy, which is available at www.morganstanley.com/institutional/research/conflictolicies.

Important US Regulatory Disclosures on Subject Companies

As of October 31, 2011, Morgan Stanley beneficially owned 1% or more of a class of common equity securities of the following companies covered in Morgan Stanley Research: BNP Paribas, Intesa SanPaolo S.p.A., Societe Generale.

Within the last 12 months, Morgan Stanley managed or co-managed a public offering (or 144A offering) of securities of BNP Paribas, Intesa SanPaolo S.p.A., Societe Generale.

Within the last 12 months, Morgan Stanley has received compensation for investment banking services from BNP Paribas, Intesa SanPaolo S.p.A., Societe Generale.

In the next 3 months, Morgan Stanley expects to receive or intends to seek compensation for investment banking services from BNP Paribas, Intesa SanPaolo S.p.A., Societe Generale.

Within the last 12 months, Morgan Stanley has received compensation for products and services other than investment banking services from BNP Paribas, Intesa SanPaolo S.p.A., Societe Generale.

Within the last 12 months, Morgan Stanley has provided or is providing investment banking services to, or has an investment banking client relationship with, the following company: BNP Paribas, Intesa SanPaolo S.p.A., Societe Generale.

Within the last 12 months, Morgan Stanley has either provided or is providing non-investment banking, securities-related services to and/or in the past has entered into an agreement to provide services or has a client relationship with the following company: BNP Paribas, Intesa SanPaolo S.p.A., Societe Generale.

The equity research analysts or strategists principally responsible for the preparation of Morgan Stanley Research have received compensation based upon various factors, including quality of research, investor client feedback, stock picking, competitive factors, firm revenues and overall investment banking revenues.

Morgan Stanley and its affiliates do business that relates to companies/instruments covered in Morgan Stanley Research, including market making, providing liquidity and specialized trading, risk arbitrage and other proprietary trading, fund management, commercial banking, extension of credit, investment services and investment banking. Morgan Stanley sells to and buys from customers the securities/instruments of companies covered in Morgan Stanley Research on a principal basis. Morgan Stanley may have a position in the debt of the Company or instruments discussed in this report.

Certain disclosures listed above are also for compliance with applicable regulations in non-US jurisdictions.

STOCK RATINGS

Morgan Stanley uses a relative rating system using terms such as Overweight, Equal-weight, Not-Rated or Underweight (see definitions below). Morgan Stanley does not assign ratings of Buy, Hold or Sell to the stocks we cover. Overweight, Equal-weight, Not-Rated and Underweight are not the equivalent of buy, hold and sell. Investors should carefully read the definitions of all ratings used in Morgan Stanley Research. In addition, since Morgan Stanley Research contains more complete information concerning the analyst's views, investors should carefully read Morgan Stanley Research, in its entirety, and not infer the contents from the rating alone. In any case, ratings (or research) should not be used or relied upon as investment advice. An investor's decision to buy or sell a stock should depend on individual circumstances (such as the investor's existing holdings) and other considerations.

Global Stock Ratings Distribution

(as of October 31, 2011)

For disclosure purposes only (in accordance with NASD and NYSE requirements), we include the category headings of Buy, Hold, and Sell alongside our ratings of Overweight, Equal-weight, Not-Rated and Underweight. Morgan Stanley does not assign ratings of Buy, Hold or Sell to the stocks we cover. Overweight, Equal-weight, Not-Rated and Underweight are not the equivalent of buy, hold, and sell but represent recommended relative weightings (see definitions below). To satisfy regulatory requirements, we correspond Overweight, our most positive stock rating, with a buy recommendation; we correspond Equal-weight and Not-Rated to hold and Underweight to sell recommendations, respectively.

November 18, 2011
European Banks
BNP: Non-Call Concerns Rising

Stock Rating Category	Coverage Universe		Investment Banking Clients (IBC)		
	Count	% of Total	Count	% of Total IBC	% of Rating Category
Overweight/Buy	1126	40%	449	44%	40%
Equal-weight/Hold	1176	42%	431	42%	37%
Not-Rated/Hold	108	4%	23	2%	21%
Underweight/Sell	418	15%	115	11%	28%
Total	2,828		1018		

Data include common stock and ADRs currently assigned ratings. An investor's decision to buy or sell a stock should depend on individual circumstances (such as the investor's existing holdings) and other considerations. Investment Banking Clients are companies from whom Morgan Stanley received investment banking compensation in the last 12 months.

Analyst Stock Ratings

Overweight (O). The stock's total return is expected to exceed the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Equal-weight (E). The stock's total return is expected to be in line with the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Not-Rated (NR). Currently the analyst does not have adequate conviction about the stock's total return relative to the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Underweight (U). The stock's total return is expected to be below the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Unless otherwise specified, the time frame for price targets included in Morgan Stanley Research is 12 to 18 months.

Analyst Industry Views

Attractive (A): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be attractive vs. the relevant broad market benchmark, as indicated below.

In-Line (I): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be in line with the relevant broad market benchmark, as indicated below.

Cautious (C): The analyst views the performance of his or her industry coverage universe over the next 12-18 months with caution vs. the relevant broad market benchmark, as indicated below.

Benchmarks for each region are as follows: North America - S&P 500; Latin America - relevant MSCI country index or MSCI Latin America Index; Europe - MSCI Europe; Japan - TOPIX; Asia - relevant MSCI country index.

Important Disclosures for Morgan Stanley Smith Barney LLC Customers

Citi Investment Research & Analysis (CIRA) research reports may be available about the companies or topics that are the subject of Morgan Stanley Research. Ask your Financial Advisor or use Research Center to view any available CIRA research reports in addition to Morgan Stanley research reports.

Important disclosures regarding the relationship between the companies that are the subject of Morgan Stanley Research and Morgan Stanley Smith Barney LLC, Morgan Stanley and Citigroup Global Markets Inc. or any of their affiliates, are available on the Morgan Stanley Smith Barney disclosure website at www.morganstanleysmithbarney.com/researchdisclosures.

For Morgan Stanley and Citigroup Global Markets, Inc. specific disclosures, you may refer to www.morganstanley.com/researchdisclosures and https://www.citigroupgeo.com/geopublic/Disclosures/index_a.html.

Each Morgan Stanley Equity Research report is reviewed and approved on behalf of Morgan Stanley Smith Barney LLC. This review and approval is conducted by the same person who reviews the Equity Research report on behalf of Morgan Stanley. This could create a conflict of interest.

Other Important Disclosures

Morgan Stanley & Co. International PLC and its affiliates have a significant financial interest in the debt securities of BNP Paribas, Intesa SanPaolo S.p.A., Societe Generale.

Morgan Stanley is not acting as a municipal advisor and the opinions or views contained herein are not intended to be, and do not constitute, advice within the meaning of Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Morgan Stanley produces an equity research product called a "Tactical Idea." Views contained in a "Tactical Idea" on a particular stock may be contrary to the recommendations or views expressed in research on the same stock. This may be the result of differing time horizons, methodologies, market events, or other factors. For all research available on a particular stock, please contact your sales representative or go to Client Link at www.morganstanley.com.

Morgan Stanley Research does not provide individually tailored investment advice. Morgan Stanley Research has been prepared without regard to the circumstances and objectives of those who receive it. Morgan Stanley recommends that investors independently evaluate particular investments and strategies, and encourages investors to seek the advice of a financial adviser. The appropriateness of an investment or strategy will depend on an investor's circumstances and objectives. The securities, instruments, or strategies discussed in Morgan Stanley Research may not be suitable for all investors, and certain investors may not be eligible to purchase or participate in some or all of them. Morgan Stanley Research is not an offer to buy or sell any security/instrument or to participate in any trading strategy. The value of and income from your investments may vary because of changes in interest rates, foreign exchange rates, default rates, prepayment rates, securities/instruments prices, market indexes, operational or financial conditions of companies or other factors. There may be time limitations on the exercise of options or other rights in securities/instruments transactions. Past performance is not necessarily a guide to future performance. Estimates of future performance are based on assumptions that may not be realized. If provided, and unless otherwise stated, the closing price on the cover page is that of the primary exchange for the subject company's securities/instruments.

The fixed income research analysts, strategists or economists principally responsible for the preparation of Morgan Stanley Research have received compensation based upon various factors, including quality, accuracy and value of research, firm profitability or revenues (which include fixed income trading and capital markets profitability or revenues), client feedback and competitive factors. Fixed Income Research analysts', strategists' or economists' compensation is not linked to investment banking or capital markets transactions performed by Morgan Stanley or the profitability or revenues of particular trading desks.

Morgan Stanley Research is not an offer to buy or sell or the solicitation of an offer to buy or sell any security/instrument or to participate in any particular trading strategy. The "Important US Regulatory Disclosures on Subject Companies" section in Morgan Stanley Research lists all companies mentioned where Morgan Stanley owns 1% or more of a class of common equity securities of the companies. For all other companies mentioned in Morgan Stanley Research, Morgan Stanley may have an investment of less than 1% in securities/instruments or derivatives of securities/instruments of companies and may trade them in ways different from those discussed in

November 18, 2011
European Banks
BNP: Non-Call Concerns Rising

Morgan Stanley Research. Employees of Morgan Stanley not involved in the preparation of Morgan Stanley Research may have investments in securities/instruments or derivatives of securities/instruments of companies mentioned and may trade them in ways different from those discussed in Morgan Stanley Research. Derivatives may be issued by Morgan Stanley or associated persons.

With the exception of information regarding Morgan Stanley, Morgan Stanley Research is based on public information. Morgan Stanley makes every effort to use reliable, comprehensive information, but we make no representation that it is accurate or complete. We have no obligation to tell you when opinions or information in Morgan Stanley Research change apart from when we intend to discontinue equity research coverage of a subject company. Facts and views presented in Morgan Stanley Research have not been reviewed by, and may not reflect information known to, professionals in other Morgan Stanley business areas, including investment banking personnel.

Morgan Stanley Research personnel may participate in company events such as site visits and are generally prohibited from accepting payment by the company of associated expenses unless pre-approved by authorized members of Research management.

Morgan Stanley may make investment decisions or take proprietary positions that are inconsistent with the recommendations or views in this report.

To our readers in Taiwan: Information on securities/instruments that trade in Taiwan is distributed by Morgan Stanley Taiwan Limited ("MSTL"). Such information is for your reference only. Information on any securities/instruments issued by a company owned by the government of or incorporated in the PRC and listed in on the Stock Exchange of Hong Kong ("SEHK"), namely the H-shares, including the component company stocks of the Stock Exchange of Hong Kong ("SEHK")'s Hang Seng China Enterprise Index is distributed only to Taiwan Securities Investment Trust Enterprises ("SITE"). The reader should independently evaluate the investment risks and is solely responsible for their investment decisions. Morgan Stanley Research may not be distributed to the public media or quoted or used by the public media without the express written consent of Morgan Stanley. To our readers in Hong Kong: Information is distributed in Hong Kong by and on behalf of, and is attributable to, Morgan Stanley Asia Limited as part of its regulated activities in Hong Kong. If you have any queries concerning Morgan Stanley Research, please contact our Hong Kong sales representatives. Information on securities/instruments that do not trade in Taiwan is for informational purposes only and is not to be construed as a recommendation or a solicitation to trade in such securities/instruments. MSTL may not execute transactions for clients in these securities/instruments.

Morgan Stanley is not incorporated under PRC law and the research in relation to this report is conducted outside the PRC. Morgan Stanley Research does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC. PRC investors shall have the relevant qualifications to invest in such securities and shall be responsible for obtaining all relevant approvals, licenses, verifications and/or registrations from the relevant governmental authorities themselves.

Morgan Stanley Research is disseminated in Brazil by Morgan Stanley C.T.V.M. S.A.; in Japan by Morgan Stanley MUFG Securities Co., Ltd. and, for Commodities related research reports only, Morgan Stanley Capital Group Japan Co., Ltd.; in Hong Kong by Morgan Stanley Asia Limited (which accepts responsibility for its contents); in Singapore by Morgan Stanley Asia (Singapore) Pte. (Registration number 199206298Z) and/or Morgan Stanley Asia (Singapore) Securities Pte Ltd (Registration number 200008434H), regulated by the Monetary Authority of Singapore (which accepts legal responsibility for its contents and should be contacted with respect to any matters arising from, or in connection with, Morgan Stanley Research); in Australia to "wholesale clients" within the meaning of the Australian Corporations Act by Morgan Stanley Australia Limited A.B.N. 67 003 734 576, holder of Australian financial services license No. 233742, which accepts responsibility for its contents; in Australia to "wholesale clients" and "retail clients" within the meaning of the Australian Corporations Act by Morgan Stanley Smith Barney Australia Pty Ltd (A.B.N. 19 009 145 555, holder of Australian financial services license No. 240813, which accepts responsibility for its contents; in Korea by Morgan Stanley & Co International plc, Seoul Branch; in India by Morgan Stanley India Company Private Limited; in Canada by Morgan Stanley Canada Limited, which has approved of and takes responsibility for its contents in Canada; in Germany by Morgan Stanley Bank AG, Frankfurt am Main and Morgan Stanley Private Wealth Management Limited, Niederlassung Deutschland, regulated by Bundesanstalt fuer Finanzdienstleistungsaufsicht (BaFin); in Spain by Morgan Stanley, S.V., S.A., a Morgan Stanley group company, which is supervised by the Spanish Securities Markets Commission (CNMV) and states that Morgan Stanley Research has been written and distributed in accordance with the rules of conduct applicable to financial research as established under Spanish regulations; in the US by Morgan Stanley & Co. LLC, which accepts responsibility for its contents. Morgan Stanley & Co. International plc, authorized and regulated by the Financial Services Authority, disseminates in the UK research that it has prepared, and approves solely for the purposes of section 21 of the Financial Services and Markets Act 2000, research which has been prepared by any of its affiliates. Morgan Stanley Private Wealth Management Limited, authorized and regulated by the Financial Services Authority, also disseminates Morgan Stanley Research in the UK. Private UK investors should obtain the advice of their Morgan Stanley & Co. International plc or Morgan Stanley Private Wealth Management representative about the investments concerned. RMB Morgan Stanley (Proprietary) Limited is a member of the JSE Limited and regulated by the Financial Services Board in South Africa. RMB Morgan Stanley (Proprietary) Limited is a joint venture owned equally by Morgan Stanley International Holdings Inc. and RMB Investment Advisory (Proprietary) Limited, which is wholly owned by FirstRand Limited.

The information in Morgan Stanley Research is being communicated by Morgan Stanley & Co. International plc (DIFC Branch), regulated by the Dubai Financial Services Authority (the DFSA), and is directed at Professional Clients only, as defined by the DFSA. The financial products or financial services to which this research relates will only be made available to a customer who we are satisfied meets the regulatory criteria to be a Professional Client.

The information in Morgan Stanley Research is being communicated by Morgan Stanley & Co. International plc (QFC Branch), regulated by the Qatar Financial Centre Regulatory Authority (the QFCRA), and is directed at business customers and market counterparties only and is not intended for Retail Customers as defined by the QFCRA.

As required by the Capital Markets Board of Turkey, investment information, comments and recommendations stated here, are not within the scope of investment advisory activity. Investment advisory service is provided in accordance with a contract of engagement on investment advisory concluded between brokerage houses, portfolio management companies, non-deposit banks and clients. Comments and recommendations stated here rely on the individual opinions of the ones providing these comments and recommendations. These opinions may not fit to your financial status, risk and return preferences. For this reason, to make an investment decision by relying solely to this information stated here may not bring about outcomes that fit your expectations.

The trademarks and service marks contained in Morgan Stanley Research are the property of their respective owners. Third-party data providers make no warranties or representations relating to the accuracy, completeness, or timeliness of the data they provide and shall not have liability for any damages relating to such data. The Global Industry Classification Standard (GICS) was developed by and is the exclusive property of MSCI and S&P. Morgan Stanley bases projections, opinions, forecasts and trading strategies regarding the MSCI Country Index Series solely on public information. MSCI has not reviewed, approved or endorsed these projections, opinions, forecasts and trading strategies. Morgan Stanley has no influence on or control over MSCI's index compilation decisions. Morgan Stanley Research or portions of it may not be reprinted, sold or redistributed without the written consent of Morgan Stanley. Morgan Stanley research is disseminated and available primarily electronically, and, in some cases, in printed form. Additional information on recommended securities/instruments is available on request.

Morgan Stanley Research, or any portion thereof may not be reprinted, sold or redistributed without the written consent of Morgan Stanley.

Morgan Stanley Research is disseminated and available primarily electronically, and, in some cases, in printed form.

Additional information on recommended securities/instruments is available on request.

wn111811

The Americas

1585 Broadway
New York, NY 10036-8293
United States
Tel: +1 (1)212 761 4000

Europe

20 Bank Street, Canary Wharf
London E14 4AD
United Kingdom
Tel: +44 (0) 20 7 425 8000

Japan

4-20-3 Ebisu, Shibuya-ku
Tokyo 150-6008
Japan
Tel: +81 (0)3 5424 5000

Asia/Pacific

1 Austin Road West
Kowloon
Hong Kong
Tel: +852 2848 5200