

European Banks

Sizeable 1Q supply, but more planned

Rating Change - Credit

Mixed FY24 supply needs after sizeable QTD issuance

In a typically busy first quarter for financials primary issuance, European banks have issued a sizeable €125bn to date in 1Q24 as they look to manage upcoming redemptions and potential macroeconomic uncertainty in 2H24. Some large issuers like Santander, SocGen and Credit Mutuel have issued over half of their expected FY24 plan. Intesa's high 2023 pre-funding leaves it with very moderate €3.5bn unsecured issuance needs. Supply needs could be a relevant differentiator amidst tight spreads, in our view.

Deutsche Bank: fairly low YTD issuance

DB's FY24 funding plan of €12-17bn total issuance in 2024 (excl. covereds) looks large vs €5bn total YTD term issuance. The bank's term funding guidance implies a further ~€5-7bn SNP (senior non-preferred), €2-4bn senior pref and €1-2bn AT1/T2. We would be cautious on this negative technical for DB spreads, which are already comparatively more volatile. We therefore downgrade the DB €2.625% SNP bond to MW, from OW, which looks tight after recent outperformance, and where we think the negative supply technical could reduce potential further upside.

05 March 2024

High Grade Credit
Europe
Banks

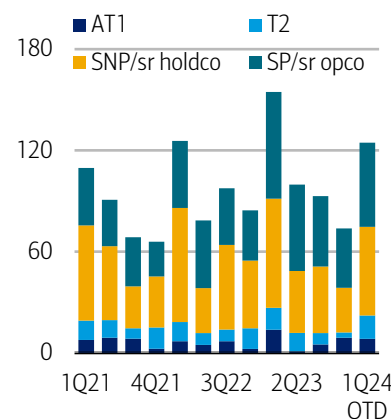
Katharine Lennon
Research Analyst
MLI (UK)
+44 20 7995 6148
katharine.lennon@bofa.com

Richard Thomas
Research Analyst
BofASE (France)
richard2.thomas@bofa.com

Luis Garrido, CFA
Research Analyst
BofASE (France)
luis.garrido@bofa.com

Exhibit 1: European Bank Issuance, 1Q21 – 1Q24 QTD

Supply tends to be weighted towards the first quarter of the year



Source: BofA Global Research, Bloomberg. Note: Tenor > 1 Year, excludes credit-linked and 0-coupon notes. All currencies. Issuers covered by BofA plus other relevant European bank peers.

BofA GLOBAL RESEARCH

Exhibit 2: Recommendations in report

We consider potential supply technical alongside recent spread performance

Bond	New Rec	Old Rec
SNP		
DB 2.625	MW	OW

Source: BofA Global Research

BofA GLOBAL RESEARCH

BofA Securities does and seeks to do business with issuers covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. Refer to important disclosures on page 6 to 9. Analyst Certification on page 5. Valuation & Risk on page 5.

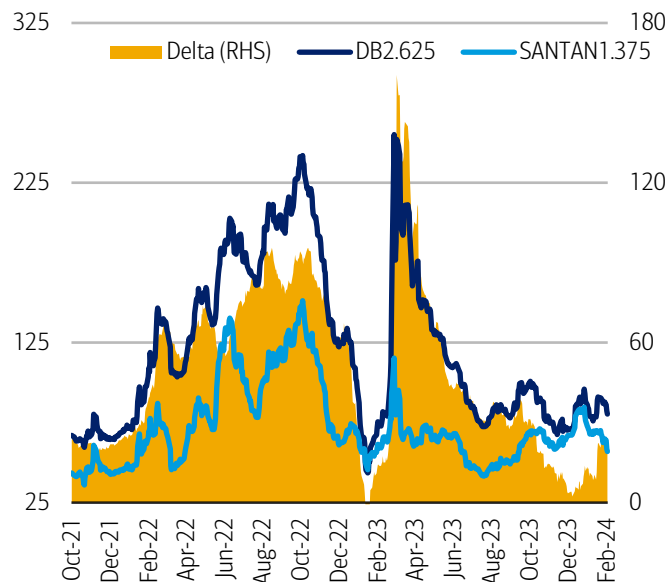
12667382

Timestamp: 05 March 2024 03:28PM EST

Charts

Exhibit 3: Asset swap spread differentials: DB €2.625% SNP '26s vs the equivalent Santander €1.375%

The DB €2.625% has outperformed the similarly-rated SANTAN €1.375% in recent months, which also has lower issuance expectations

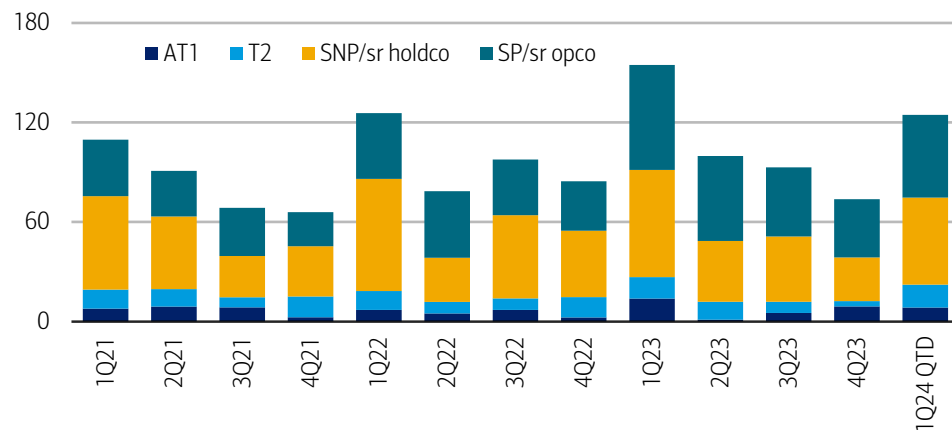


Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH

Exhibit 4: European Bank Issuance, 1Q21 – 1Q24 QTD

Supply tends to be weighted towards the first quarter of the year



Source: BofA Global Research, Bloomberg. Note: Tenor > 1 Year, excludes credit-linked and 0-coupon notes. All currencies. Issuers covered by BofA plus other relevant European bank peers.

BofA GLOBAL RESEARCH

Exhibit 5: Funding Plans 2024

Many banks have largely met FY24 funding plan targets

Bank	2024 issuance plan / comments
France	
Societe Generale	~€8bn Sr Pref, ~€7bn in SNP, ~€4bn in AT1/T2. €14.5bn issued as of Feb 2024 results.
BPCE	€14bn target. €2bn Tier 2, €6.5bn SNP, €5.5bn Sr Pref
BFCM	€15-17bn medium/long-term funding of which SNP/Tier 2 c.€4bn (up to €11-13bn sr pref/covered implied), ~47% done by end-Jan 2024 including pre-funding implies ~€7-8bn issued
Credit Agricole	€26bn funding plan, of which €17bn senior secured/sr pref, €9bn SNP or Tier 2, 35% completed YTD. Completed a €1.25bn AT1 issue in Jan though this is excluded from the funding plan
Germany	
Deutsche Bank	Total funding plan: €13-18bn (incl covered bonds). Sr Pref: 6-8bn, SNP: 5-7bn, AT1/T2: 1-2bn. Of which ~€3bn already completed
Commerzbank	Expected funding volume for 2024 ~€10bn which includes covereds, €2.75bn done across 3 issues YTD (2 of which were secured issues. Secured issuance about half of 2023 issuance and ~50% of the upcoming maturities in 2024 so we estimate ~50% of this €10bn figure is secured issuance.
Spain	
Banco Santander SA	Sub ~€1.2bn more (€3.8bn already done). Senior €4.4-6.4bn more (€11.6bn done). Abbey to do maybe €1-2bn of senior and €4bn of covered.
BBVA SA	€8-9bn, oriented to meet both 2024 maturities and regulatory requirements, subject to balance sheet/liquidity evolution. AT1/Tier 2: dynamic management of capital stack, SNP/Sr Pref: accounting for larger part of funding plan, focus on refinancing of instruments losing MREL eligibility.
CaixaBank	€1.5-2bn Sr Pref, €3bn SNP, €0bn Tier 2, €0.75bn AT1
Sabadell	AT1/T2: keep buckets complete, Sr Pref / SNP: keep management buffer above MREL requirements
Italy	
Intesa	€5bn plan, €2.5bn Sr and €1bn subordinated, €1.5bn covered bonds (~€11bn pre-funding executed in 2023 incl covered bonds)
Monte dei Paschi	Roughly €3bn funding plan, of which only €1bn is MREL and this will be Sr Pref, €2bn covered bonds
Unicredit	Up to €21bn at group level, but 20% already done, focus on senior. UniCredit SpA 2024 plan up to €9.3bn. Up to €3.7bn institutional Sr Pref/SNP (excludes issuance via networks) and up to 1 AT1. No more Tier 2 expected.
Benelux	
ING	~€6-8bn Sr Holdco, plans to replace CET1 by Sr Holdco over time, comfortable on AT1/Tier 2 layers, so it's a case of refinancing / RWA growth. Sr opco issued for internal ratio management and general corporate funding purposes.
Rabobank	€15-18bn long-term funding target, including €2-4bn annual average SNP, remaining funding needs met by Sr Pref.
KBC	€3.5-5bn expected
Nordics	
Nordea	€20-25bn long-term issuance expected, 'slightly more than half in Scandinavian currencies'
Nykredit	DKK15-20bn (€2-2.7bn) in SNP and Sr Pref in 2024
Danske Bank	DKK80-100bn (€11-13bn)
UK	
HSBC	Issuance expected to be lower than typical years. Senior holdco: <\$10bn gross vs \$12bn calls and maturities (negative net issuance). Tier 2: \$2-3bn vs \$2bn maturities. AT1: ~\$2bn vs \$2bn available calls.
Standard Chartered	~\$9-10bn MREL issuance planned, mainly Holdco senior. \$2bn prefinancing in 4Q23
Barclays	c.£12bn 2024 MREL issuance plan across Senior, Tier 2 and AT1, of which c.£0.9bn executed
Lloyds	£7-8bn holdco, £1-2bn across AT1 and Tier 2, c.£5bn opco, largely secured. C.£15bn issuance in 2024 across all entities and products.
NatWest Group	Holdco Sr: £4-5bn, Tier 2: £1-2bn, AT1: up to £1bn, Sr Opco: £3-5bn
Santander UK	£0.4-0.5bn AT1 depending on call decision, £0.5-1.0bn Sr Holdco, Up to £1.0bn Sr Opco
Nationwide	They expect to issue £6-8bn by end Sept-'24 (incl covereds)
Virgin Money UK	No further capital issuance, MREL issuance limited to managing a prudent buffer above requirements.
Austria	

Exhibit 5: Funding Plans 2024

Many banks have largely met FY24 funding plan targets

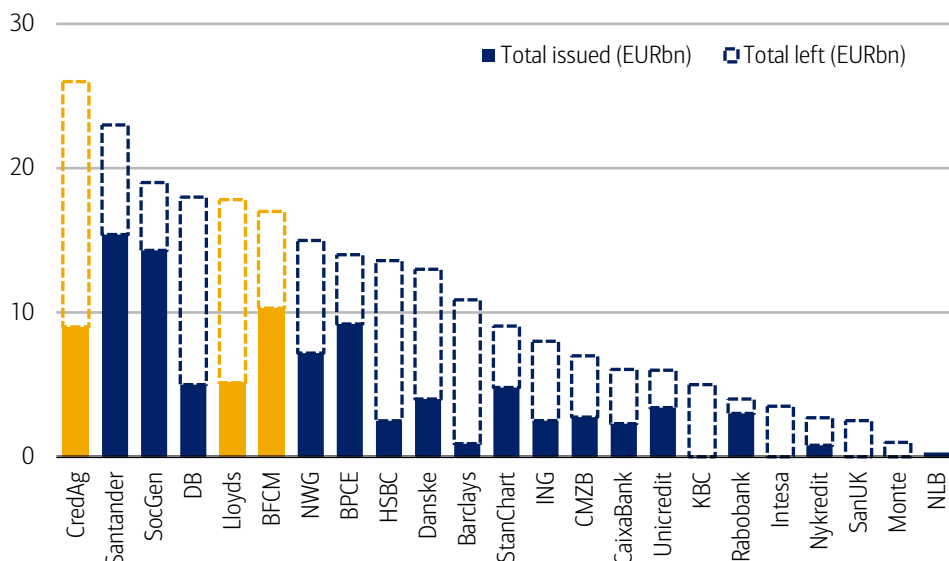
Bank	2024 issuance plan / comments
Raiffeisen Bank International	SNP issuance to maintain loss absorbing capacity and support ratings. 1-2 Sr Pref
Erste Bank	2024 funding volume comparable to 2023 with funding mix leaning towards covered bonds.
Switzerland	
UBS	UBS's guidance of an 18% going concern ratio by 2026 implies a build-up of AT1, from the current \$14bn to ~\$20bn based on guided 2026 RWA, 7% lower than today. UBS plans to issue up to \$2bn AT1 in 2024 and broadly refinance upcoming holdco maturities (\$11bn in 2024 and \$20bn in 2025). Opco issuance will be 'opportunistic'.
Slovenia	
Nova Ljubljanska	1 benchmark sized Sr Pref expected, ~€300mn size

Source: BofA Global Research, Company reports. Note: not exhaustive of our coverage universe. Where a range has been given of issuance under the plan – e.g. DB funding plan – we have taken the upper end to estimate the potential left to issue to be conservative. We have made some estimates of potential issuance where relevant to include recent issues since the plan was communicated. In some cases where pre-funding has been included in the numbers we haven't done this.

BofA GLOBAL RESEARCH

Exhibit 6: Estimates potential further issuance, €bn

Sizeable 1Q24 issuance, but funding plans indicate more supply ahead



Source: BofA Global Research, Company reports. Note: CredAg, Lloyds, BFCM highlighted in yellow since they include covered bonds. List not exhaustive of our coverage universe, we have only used banks where we have sufficient information in the funding plans to make these estimates. Where a range has been given of issuance under the plan – e.g. DB funding plan – we have taken the upper end to estimate the potential left to issue to be conservative. We have made some estimates of potential issuance where relevant to include recent issues since the plan was communicated, e.g. recent BPCE T2 and SNP issues. In some cases where pre-funding has been included in numbers, we have based the numbers on these plans reported with FY23 results if the volume of pre-financing isn't clear.

BofA GLOBAL RESEARCH

Valuation & risk

Deutsche Bank (DB)

We still view DB as an attractive credit. The bank has continued to deliver tangible improvements on the back of its strategy into 2023. We viewed the plan favourably from the credit perspective and execution has been good. DB bonds remain sensitive to market volatility but even so, valuation looks respectable across the capital structure. We prefer the senior part of the capital structure (senior preferred / SNP), where OWs include the €5% SNP, \$2.129 SNP '26s, €0.75% SNP '27s to reflect wide spreads vs similarly-rated peers. We are MW the €2.625% '26 SNP bonds, where we think value looks fair after outperformance, and note potentially high issuance needs as a negative spread technical. We are OW the \$7.079% and €5.625% Callable Tier 2 bonds, which we think look too wide of similarly-rated issuers. We are MW the \$4.875% T2 given better value in peers. DB's CDS has underperformed peers which we do not see as justified.

Downside risks: Unexpected losses. Final execution risks around the bank's new strategic plan, impact of regulatory changes relating to the calculation of RWAs, residual litigation and conduct charges beyond what the bank has already provisioned for, weak performance of the bank's markets business as a result of difficult market environment

Analyst Certification

We, Katharine Lennon, Luis Garrido, CFA and Richard Thomas, hereby certify that the views each of us has expressed in this research report accurately reflect each of our respective personal views about the subject securities and issuers. We also certify that no part of our respective compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

Security/Loan pricing

Deutsche Bank / DB

Security	Amt	Maturity date	Ratings		Price date	Yield (%)	Spread (Govt+bps)
			Moody's/S&P/Fitch	Price			
2.75, Lower Tier 2, EUR, 2025:B	1,250	17-FEB-2025	Baa3/BBB-/BBB	98.35	04-Mar-2024	4.55	108
4.5, Lower Tier 2, USD, 2025:B	1,500	01-APR-2025	Baa3/BBB-/BBB	98.12	04-Mar-2024	6.34	134
4.875, Subordinated, USD, 2032:B	1,000	01-DEC-2032	Baa3/BBB-/BBB	92.57	04-Mar-2024	6.82	261
1.125, Senior, EUR, 2025:B	971	17-MAR-2025	Baa1/BBB/A-	96.90	04-Mar-2024	4.25	83
1.75, Senior, EUR, 2028:B	856	17-JAN-2028	Baa1/BBB/A-	92.02	04-Mar-2024	4.02	146
6.25, Tier1, USD, Perp/2049:B	1,250	29-MAY-2049	Ba2/BB/BB+	89.36	04-Mar-2024	14.99	1,010
7.125, Tier1, GBP, Perp/2049:B	650	30-APR-2049	Ba2/BB/BB+	89.76	04-Mar-2024	9.23	451
7.5, Junior Subordinated, USD, 2025:B	1,500	29-DEC-2049	Ba2/BB/BB+	95.44	04-Mar-2024	9.20	469
Senior Unsecured, EUR, Y5:CDS	400				05-Mar-2024	4.45	85
Subordinated, EUR, Y5:CDS	1,132				05-Mar-2024	2.33	208
2.129, Senior, USD, 2026:B	2,000	24-Nov-2026	Baa1/BBB/A-	93.82	04-Mar-2024	5.96	125
4.5, Junior Subordinated, EUR, 2026:B	1,250	30-Nov-2026	Ba2/BB/BB+	79.72	04-Mar-2024	8.41	571
.75, Senior, EUR, 2027:B	1,500	17-FEB-2027	Baa1/BBB/A-	93.41	04-Mar-2024	4.35	140
2.625, Senior, EUR, 2026:B	684	12-FEB-2026	Baa1/BBB/A-	97.29	04-Mar-2024	4.11	116
5, Senior, EUR, 2030:B	1,500	05-SEP-2030	Baa1/BBB/A-	102.38	04-Mar-2024	4.50	209
5.625, Subordinated, EUR, 2031:B	1,250	19-MAY-2031	Baa3/BBB-/BBB	100.14	04-Mar-2024	5.54	265
7.079, Subordinated, USD, 2034:B	1,500	10-FEB-2034	Baa3/BBB-/BBB	100.24	04-Mar-2024	7.04	284

For pricing information refer to "Other Important Disclosures" below.

B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

Disclosures

Important Disclosures

Credit opinion history

Deutsche Bank / DB

Security	Date ^{R1}	Action	Recommendation	Price
2.75, Lower Tier 2, EUR, 2025:B	28-Feb-2023		Marketweight	
4.5, Lower Tier 2, USD, 2025:B	28-Feb-2023		Marketweight	
4.875, Subordinated, USD, 2032:B	28-Feb-2023		Overweight	
	30-Jan-2024	Downgrade	Marketweight	93.97
1.125, Senior, EUR, 2025:B	28-Feb-2023		Overweight	
1.75, Senior, EUR, 2028:B	28-Feb-2023		Marketweight	
6.25, Tier1, USD, Perp/2049:B	28-Feb-2023		Marketweight	
7.125, Tier1, GBP, Perp/2049:B	28-Feb-2023		Marketweight	
7.5, Junior Subordinated, USD, 2025:B	28-Feb-2023		Marketweight	
Senior Unsecured, EUR, Y5:CDS	28-Feb-2023		Sell Protection	
Subordinated, EUR, Y5:CDS	28-Feb-2023		Sell Protection	
2.129, Senior, USD, 2026:B	28-Feb-2023		Overweight	
4.5, Junior Subordinated, EUR, 2026:B	28-Feb-2023		Marketweight	
.75, Senior, EUR, 2027:B	28-Feb-2023		Overweight	
2.625, Senior, EUR, 2026:B	28-Feb-2023		Overweight	
5, Senior, EUR, 2030:B	27-Mar-2023	Initial	Overweight	91.71
5.625, Subordinated, EUR, 2031:B	21-Nov-2023	Initial	Overweight	98.00
7.079, Subordinated, USD, 2034:B	21-Nov-2023	Initial	Overweight	94.30

Table reflects credit opinion history as of previous business day's close.^{R1}First date of recommendation within the last 36 months, if for an issuer or within the last 12 months, if for a security or loan. The investment opinion system is contained at the end of the report under the heading "BofA Global Research Credit Opinion Key."

Pricing information in the table is provided for each action where available. In the case of bonds, loans, capital securities and equity preferreds, the price shown reflects the nominal cash price for the security; and in the case of CDS, the price shown reflects the spread, on the date of the relevant action.

B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); EP=Equity Preferred; CDS=Credit Default Swap

BofA Global Research Credit Opinion Key

BofA Global Research provides recommendations on an issuer's bonds (including corporate and sovereign external debt securities), loans, capital securities, equity preferreds and CDS as described below. Convertible securities are not rated. An issuer level recommendation may also be provided for an issuer as explained below. BofA Global Research credit recommendations are assigned using a three-month time horizon.

Issuer Recommendations: If an issuer credit recommendation is provided, it is applicable to bonds and capital securities of the issuer except bonds and capital securities specifically referenced in the report with a different credit recommendation. Where there is no issuer credit recommendation, only individual bonds and capital securities with specific recommendations are covered. Loans, CDS and equity preferreds are rated separately and issuer recommendations do not apply to them.

BofA Global Research credit recommendations are assigned using a three-month time horizon:

Overweight: Spreads and/or excess returns are likely to outperform the relevant and comparable market over the next three months.

Marketweight: Spreads and/or excess returns are likely to perform in-line with the relevant and comparable market over the next three months.

Underweight: Spreads and/or excess returns are likely to underperform the relevant and comparable market over the next three months.

BofA Global Research uses the following rating system with respect to **Credit Default Swaps (CDS)**:

Buy Protection: Buy CDS, therefore going short credit risk.

Neutral: No purchase or sale of CDS is recommended.

Sell Protection: Sell CDS, therefore going long credit risk.

Corporate Credit Issuer Investment Rating Distribution: Global Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R2}	Count	Percent
Buy	144	37.21%	Buy	119	82.64%
Hold	193	49.87%	Hold	163	84.46%
Sell	50	12.92%	Sell	37	74.00%

^{R2} Issuers that were investment banking clients of BofA Securities or one of its affiliates within the past 12 months. For purposes of this Investment Rating Distribution, the coverage universe includes only corporate credit issuer recommendations. A corporate credit issuer rated Overweight is included as a Buy, a corporate credit issuer rated Marketweight is included as a Hold, and a corporate credit issuer rated Underweight is included as a Sell.

Credit Opinion History Tables for the securities referenced in this research report are available on the [Price Charts and Credit Opinion History Tables website](#), or call 1-800-MERRILL to have them mailed.

The issuer is or was, within the last 12 months, an investment banking client of BofAS and/or one or more of its affiliates: Deutsche Bank.

BofAS or an affiliate has received compensation from the issuer for non-investment banking services or products within the past 12 months: Deutsche Bank.

The issuer is or was, within the last 12 months, a non-securities business client of BofAS and/or one or more of its affiliates: Deutsche Bank.

BofAS or an affiliate has received compensation for investment banking services from this issuer within the past 12 months: Deutsche Bank.

BofAS or an affiliate expects to receive or intends to seek compensation for investment banking services from this issuer or an affiliate of the issuer within the next three months: Deutsche Bank.

BofAS or one of its affiliates has a significant financial interest in the fixed income instruments of the issuer. If this report was issued on or after the 15th day of the month, it reflects a significant financial interest on the last day of the previous month. Reports issued before the 15th day of the month reflect a significant financial interest at the end of the second month preceding the report: Deutsche Bank.

BofAS or one of its affiliates trades or may trade as principal in the debt securities (or in related derivatives) that are the subject of this research report: Deutsche Bank.

The issuer is or was, within the last 12 months, a securities business client (non-investment banking) of BofAS and/or one or more of its affiliates: Deutsche Bank.

BofA Global Research personnel (including the analyst(s) responsible for this report) receive compensation based upon, among other factors, the overall profitability of Bank of America Corporation, including profits derived from investment banking. The analyst(s) responsible for this report may also receive compensation based upon, among other factors, the overall profitability of the Bank's sales and trading businesses relating to the class of securities or financial instruments for which such analyst is responsible.

BofA Securities fixed income analysts regularly interact with sales and trading desk personnel in connection with their research, including to ascertain pricing and liquidity in the fixed income markets.

Other Important Disclosures

From time to time research analysts conduct site visits of covered issuers. BofA Global Research policies prohibit research analysts from accepting payment or reimbursement for travel expenses from the issuer for such visits.

Prices are indicative and for information purposes only. Except as otherwise stated in the report, for any recommendation in relation to an equity security, the price referenced is the publicly traded price of the security as of close of business on the day prior to the date of the report or, if the report is published during intraday trading, the price referenced is indicative of the traded price as of the date and time of the report and in relation to a debt security (including equity preferred and CDS), prices are indicative as of the date and time of the report and are from various sources including BofA Securities trading desks.

The date and time of completion of the production of any recommendation in this report shall be the date and time of dissemination of this report as recorded in the report timestamp.

This report may refer to fixed income securities or other financial instruments that may not be offered or sold in one or more states or jurisdictions, or to certain categories of investors, including retail investors. Readers of this report are advised that any discussion, recommendation or other mention of such instruments is not a solicitation or offer to transact in such instruments. Investors should contact their BofA Securities representative or Merrill Global Wealth Management financial advisor for information relating to such instruments.

Rule 144A securities may be offered or sold only to persons in the U.S. who are Qualified Institutional Buyers within the meaning of Rule 144A under the Securities Act of 1933, as amended. SECURITIES OR OTHER FINANCIAL INSTRUMENTS DISCUSSED HEREIN MAY BE RATED BELOW INVESTMENT GRADE AND SHOULD THEREFORE ONLY BE CONSIDERED FOR INCLUSION IN ACCOUNTS QUALIFIED FOR SPECULATIVE INVESTMENT.

Recipients who are not institutional investors or market professionals should seek the advice of their independent financial advisor before considering information in this report in connection with any investment decision, or for a necessary explanation of its contents.

The securities or other financial instruments discussed in this report may be traded over-the-counter. Retail sales and/or distribution of this report may be made only in states where these instruments are exempt from registration or have been qualified for sale.

Officers of BofAS or one or more of its affiliates (other than research analysts) may have a financial interest in securities of the issuer(s) or in related investments.

This report, and the securities or other financial instruments discussed herein, may not be eligible for distribution or sale in all countries or to certain categories of investors, including retail investors.

Information relating to Affiliates of BofAS, MLPF&S and Distribution of Affiliate Research Reports:

Refer to [BofA Global Research policies relating to conflicts of interest](#).

"BofA Securities" includes BofA Securities, Inc. ("BofAS") and its affiliates. Investors should contact their BofA Securities representative or Merrill Global Wealth Management financial advisor if they have questions concerning this report or concerning the appropriateness of any investment idea described herein for such investor. "BofA Securities" is a global brand for BofA Global Research.

BofAS and/or Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S") may in the future distribute, information of the following non-US affiliates in the US (short name: legal name, regulator): Merrill Lynch (South Africa): Merrill Lynch South Africa (Pty) Ltd., regulated by The Financial Service Board; MLI (UK): Merrill Lynch International, regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA); BofASE (France): BofA Securities Europe SA is authorized by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and regulated by the ACPR and the Autorité des Marchés Financiers (AMF). BofA Securities Europe SA ("BofASE") with registered address at 51, rue La Boétie, 75008 Paris is registered under no 842 602 690 RCS Paris. In accordance with the provisions of French Code Monétaire et Financier (Monetary and Financial Code), BofASE is an établissement de crédit et d'investissement (credit and investment institution) that is authorised and supervised by the European Central Bank and the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and regulated by the ACPR and the Autorité des Marchés Financiers. BofASE's share capital can be found at www.bofam.com/BofASEdisclaimer; BofA Europe (Milan): Bank of America Europe Designated Activity Company, Milan Branch, regulated by the Bank of Italy, the European Central Bank (ECB) and the Central Bank of Ireland (CBI); BofA Europe (Frankfurt): Bank of America Europe Designated Activity Company,

Frankfurt Branch regulated by BaFin, the ECB and the CBI; BofA Europe (Madrid): Bank of America Europe Designated Activity Company, Sucursal en España, regulated by the Bank of Spain, the ECB and the CBI; Merrill Lynch (Australia): Merrill Lynch Equities (Australia) Limited, regulated by the Australian Securities and Investments Commission; Merrill Lynch (Hong Kong): Merrill Lynch (Asia Pacific) Limited, regulated by the Hong Kong Securities and Futures Commission (HKSF); Merrill Lynch (Singapore): Merrill Lynch (Singapore) Pte Ltd, regulated by the Monetary Authority of Singapore (MAS); Merrill Lynch (Canada): Merrill Lynch Canada Inc, regulated by the Canadian Investment Regulatory Organization; Merrill Lynch (Mexico): Merrill Lynch Mexico, SA de CV, Casa de Bolsa, regulated by the Comisión Nacional Bancaria y de Valores; Merrill Lynch (Argentina): Merrill Lynch Argentina SA, regulated by Comisión Nacional de Valores; BofA Japan: BofA Securities Japan Co., Ltd., regulated by the Financial Services Agency; Merrill Lynch (Seoul): Merrill Lynch International, LLC Seoul Branch, regulated by the Financial Supervisory Service; Merrill Lynch (Taiwan): Merrill Lynch Securities (Taiwan) Ltd., regulated by the Securities and Futures Bureau; BofA India: BofA Securities India Limited, regulated by the Securities and Exchange Board of India (SEBI); Merrill Lynch (Israel): Merrill Lynch Israel Limited, regulated by Israel Securities Authority; Merrill Lynch (DIFC): Merrill Lynch International (DIFC Branch), regulated by the Dubai Financial Services Authority (DFSA); Merrill Lynch (Brazil): Merrill Lynch S.A. Corretora de Títulos e Valores Mobiliários, regulated by Comissão de Valores Mobiliários; Merrill Lynch KSA Company: Merrill Lynch Kingdom of Saudi Arabia Company, regulated by the Capital Market Authority.

This information: has been approved for publication and is distributed in the United Kingdom (UK) to professional clients and eligible counterparties (as each is defined in the rules of the FCA and the PRA) by MLI (UK), which is authorized by the PRA and regulated by the FCA and the PRA - details about the extent of our regulation by the FCA and PRA are available from us on request; has been approved for publication and is distributed in the European Economic Area (EEA) by BofASE (France), which is authorized by the ACPR and regulated by the ACPR and the AMF; has been considered and distributed in Japan by BofAS Japan, a registered securities dealer under the Financial Instruments and Exchange Act in Japan, or its permitted affiliates; is issued and distributed in Hong Kong by Merrill Lynch (Hong Kong) which is regulated by HKSF; is issued and distributed in Taiwan by Merrill Lynch (Taiwan); is issued and distributed in India by BofAS India; and is issued and distributed in Singapore to institutional investors and/or accredited investors (each as defined under the Financial Advisers Regulations) by Merrill Lynch (Singapore) (Company Registration No 198602883D). Merrill Lynch (Singapore) is regulated by MAS. Merrill Lynch Equities (Australia) Limited (ABN 65 006 276 795), AFS License 235132 (MLEA) distributes this information in Australia only to 'Wholesale' clients as defined by s.761G of the Corporations Act 2001. With the exception of Bank of America N.A., Australia Branch, neither MLEA nor any of its affiliates involved in preparing this information is an Authorised Deposit-Taking Institution under the Banking Act 1959 nor regulated by the Australian Prudential Regulation Authority. No approval is required for publication or distribution of this information in Brazil and its local distribution is by Merrill Lynch (Brazil) in accordance with applicable regulations. Merrill Lynch (DIFC) is authorized and regulated by the DFSA. Information prepared and issued by Merrill Lynch (DIFC) is done so in accordance with the requirements of the DFSA conduct of business rules. BofA Europe (Frankfurt) distributes this information in Germany and is regulated by BaFin, the ECB and the CBI. BofA Securities entities, including BofA Europe and BofASE (France), may outsource/delegate the marketing and/or provision of certain research services or aspects of research services to other branches or members of the BofA Securities group. You may be contacted by a different BofA Securities entity acting for and on behalf of your service provider where permitted by applicable law. This does not change your service provider. Please refer to the [Electronic Communications Disclaimers](#) for further information.

This information has been prepared and issued by BofAS and/or one or more of its non-US affiliates. The author(s) of this information may not be licensed to carry on regulated activities in your jurisdiction and, if not licensed, do not hold themselves out as being able to do so. BofAS and/or MLPF&S is the distributor of this information in the US and accepts full responsibility for information distributed to BofAS and/or MLPF&S clients in the US by its non-US affiliates. Any US person receiving this information and wishing to effect any transaction in any security discussed herein should do so through BofAS and/or MLPF&S and not such foreign affiliates. Hong Kong recipients of this information should contact Merrill Lynch (Asia Pacific) Limited in respect of any matters relating to dealing in securities or provision of specific advice on securities or any other matters arising from, or in connection with, this information. Singapore recipients of this information should contact Merrill Lynch (Singapore) Pte Ltd in respect of any matters arising from, or in connection with, this information. For clients that are not accredited investors, expert investors or institutional investors Merrill Lynch (Singapore) Pte Ltd accepts full responsibility for the contents of this information distributed to such clients in Singapore.

General Investment Related Disclosures:

Taiwan Readers: Neither the information nor any opinion expressed herein constitutes an offer or a solicitation of an offer to transact in any securities or other financial instrument. No part of this report may be used or reproduced or quoted in any manner whatsoever in Taiwan by the press or any other person without the express written consent of BofA Securities.

This document provides general information only, and has been prepared for, and is intended for general distribution to, BofA Securities clients. Neither the information nor any opinion expressed constitutes an offer or an invitation to make an offer, to buy or sell any securities or other financial instrument or any derivative related to such securities or instruments (e.g., options, futures, warrants, and contracts for differences). This document is not intended to provide personal investment advice and it does not take into account the specific investment objectives, financial situation and the particular needs of, and is not directed to, any specific person(s). This document and its content do not constitute, and should not be considered to constitute, investment advice for purposes of ERISA, the US tax code, the Investment Advisers Act or otherwise. Investors should seek financial advice regarding the appropriateness of investing in financial instruments and implementing investment strategies discussed or recommended in this document and should understand that statements regarding future prospects may not be realized. Any decision to purchase or subscribe for securities in any offering must be based solely on existing public information on such security or the information in the prospectus or other offering document issued in connection with such offering, and not on this document.

Securities and other financial instruments referred to herein, or recommended, offered or sold by BofA Securities, are not insured by the Federal Deposit Insurance Corporation and are not deposits or other obligations of any insured depository institution (including, Bank of America, N.A.). Investments in general and, derivatives, in particular, involve numerous risks, including, among others, market risk, counterparty default risk and liquidity risk. No security, financial instrument or derivative is suitable for all investors. Digital assets are extremely speculative, volatile and are largely unregulated. In some cases, securities and other financial instruments may be difficult to value or sell and reliable information about the value or risks related to the security or financial instrument may be difficult to obtain. Investors should note that income from such securities and other financial instruments, if any, may fluctuate and that price or value of such securities and instruments may rise or fall and, in some cases, investors may lose their entire principal investment. Past performance is not necessarily a guide to future performance. Levels and basis for taxation may change.

BofA Securities is aware that the implementation of the ideas expressed in this report may depend upon an investor's ability to "short" securities or other financial instruments and that such action may be limited by regulations prohibiting or restricting "shortselling" in many jurisdictions. Investors are urged to seek advice regarding the applicability of such regulations prior to executing any short idea contained in this report.

This report may contain a trading idea or recommendation which highlights a specific identified near-term catalyst or event impacting a security, issuer, industry sector or the market generally that presents a transaction opportunity, but does not have any impact on the analyst's particular "Overweight" or "Underweight" rating (which is based on a three month trade horizon). Trading ideas and recommendations may differ directionally from the analyst's rating on a security or issuer because they reflect the impact of a near-term catalyst or event.

Foreign currency rates of exchange may adversely affect the value, price or income of any security or financial instrument mentioned in this report. Investors in such securities and instruments effectively assume currency risk.

BofAS or one of its affiliates is a regular issuer of traded financial instruments linked to securities that may have been recommended in this report. BofAS or one of its affiliates may, at any time, hold a trading position (long or short) in the securities and financial instruments discussed in this report.

BofA Securities, through business units other than BofA Global Research, may have issued and may in the future issue trading ideas or recommendations that are inconsistent with, and reach different conclusions from, the information presented herein. Such ideas or recommendations may reflect different time frames, assumptions, views and analytical methods of the persons who prepared them, and BofA Securities is under no obligation to ensure that such other trading ideas or recommendations are brought to the attention of any recipient of this information.

In the event that the recipient received this information pursuant to a contract between the recipient and BofAS for the provision of research services for a separate fee, and in connection therewith BofAS may be deemed to be acting as an investment adviser, such status relates, if at all, solely to the person with whom BofAS has contracted directly and does not extend beyond the delivery of this report (unless otherwise agreed specifically in writing by BofAS). If such recipient uses the services of BofAS in connection with the sale or purchase of a security referred to herein, BofAS may act as principal for its own account or as agent for another person. BofAS is and continues to act solely as a broker-dealer in connection with the execution of any transactions, including transactions in any securities referred to herein.

Copyright and General Information:

Copyright 2024 Bank of America Corporation. All rights reserved. iQdatabase® is a registered service mark of Bank of America Corporation. This information is prepared for the use of BofA Securities clients and may not be redistributed, retransmitted or disclosed, in whole or in part, or in any form or manner, without the express written consent of BofA Securities. BofA Global Research information is distributed simultaneously to internal and client websites and other portals by BofA Securities and is not publicly-available material. Any unauthorized use or disclosure is prohibited. Receipt and review of this information constitutes your agreement not to redistribute, retransmit, or disclose to others the contents, opinions, conclusion, or information contained herein (including any investment recommendations, estimates or price targets) without first obtaining express permission from an authorized officer of BofA Securities.

Materials prepared by BofA Global Research personnel are based on public information. Facts and views presented in this material have not been reviewed by, and may not reflect information known to, professionals in other business areas of BofA Securities, including investment banking personnel. BofA Securities has established information barriers between BofA Global Research

and certain business groups. As a result, BofA Securities does not disclose certain client relationships with, or compensation received from, such issuers. To the extent this material discusses any legal proceeding or issues, it has not been prepared as nor is it intended to express any legal conclusion, opinion or advice. Investors should consult their own legal advisers as to issues of law relating to the subject matter of this material. BofA Global Research personnel's knowledge of legal proceedings in which any BofA Securities entity and/or its directors, officers and employees may be plaintiffs, defendants, co-defendants or co-plaintiffs with or involving issuers mentioned in this material is based on public information. Facts and views presented in this material that relate to any such proceedings have not been reviewed by, discussed with, and may not reflect information known to, professionals in other business areas of BofA Securities in connection with the legal proceedings or matters relevant to such proceedings.

This information has been prepared independently of any issuer of securities mentioned herein and not in connection with any proposed offering of securities or as agent of any issuer of any securities. None of BofAS any of its affiliates or their research analysts has any authority whatsoever to make any representation or warranty on behalf of the issuer(s). BofA Global Research policy prohibits research personnel from disclosing a recommendation, investment rating, or investment thesis for review by an issuer prior to the publication of a research report containing such rating, recommendation or investment thesis.

Any information relating to the tax status of financial instruments discussed herein is not intended to provide tax advice or to be used by anyone to provide tax advice. Investors are urged to seek tax advice based on their particular circumstances from an independent tax professional.

The information herein (other than disclosure information relating to BofA Securities and its affiliates) was obtained from various sources and we do not guarantee its accuracy. This information may contain links to third-party websites. BofA Securities is not responsible for the content of any third-party website or any linked content contained in a third-party website. Content contained on such third-party websites is not part of this information and is not incorporated by reference. The inclusion of a link does not imply any endorsement by or any affiliation with BofA Securities. Access to any third-party website is at your own risk, and you should always review the terms and privacy policies at third-party websites before submitting any personal information to them. BofA Securities is not responsible for such terms and privacy policies and expressly disclaims any liability for them.

All opinions, projections and estimates constitute the judgment of the author as of the date of publication and are subject to change without notice. Prices also are subject to change without notice. BofA Securities is under no obligation to update this information and BofA Securities ability to publish information on the subject issuer(s) in the future is subject to applicable quiet periods. You should therefore assume that BofA Securities will not update any fact, circumstance or opinion contained herein.

Subject to the quiet period applicable under laws of the various jurisdictions in which we distribute research reports and other legal and BofA Securities policy-related restrictions on the publication of research reports, fundamental equity reports are produced on a regular basis as necessary to keep the investment recommendation current.

Certain outstanding reports or investment opinions relating to securities, financial instruments and/or issuers may no longer be current. Always refer to the most recent research report relating to an issuer prior to making an investment decision.

In some cases, an issuer may be classified as Restricted or may be Under Review or Extended Review. In each case, investors should consider any investment opinion relating to such issuer (or its security and/or financial instruments) to be suspended or withdrawn and should not rely on the analyses and investment opinion(s) pertaining to such issuer (or its securities and/or financial instruments) nor should the analyses or opinion(s) be considered a solicitation of any kind. Sales persons and financial advisors affiliated with BofAS or any of its affiliates may not solicit purchases of securities or financial instruments that are Restricted or Under Review and may only solicit securities under Extended Review in accordance with firm policies.

Neither BofA Securities nor any officer or employee of BofA Securities accepts any liability whatsoever for any direct, indirect or consequential damages or losses arising from any use of this information.