

Citi Depository Receipt Services



Year-End 2017 Report

JANUARY 2018



2017 Year-End Highlights

- Depository receipt (DR) capital raising totaled \$15.6 billion globally
- DR trading volume was down 9% to 140.0 billion shares in 2017 versus 153.5 billion in 2016
- U.S. investment in non-U.S. equities as of Q3 2017 was \$8.6 trillion, up 20% from the same point in 2016
- The value of DRs held by institutional investors totaled \$1.1 trillion as of Q3 2017
- The pool of unsponsored ADR programs remains strong at 1,644 programs

Welcome

A message from Nancy Lissemore, Citi's Global Head of Depository Receipt Services



Nancy Lissemore
Managing Director
Global Head of
Depository Receipt
Services

Dear Clients and Friends,

When we entered 2017, Citi predicted a year of rebounding growth – a developed market (“DM”) growth of 1.6% and emerging market (“EM”) growth of 4.7%. However, 2017 brought an upside surprise which was broad-based, with upward revisions to both DM (to 2.2%) and EM (to 4.7%), the first such surprise for growth in six years. The drivers were stronger momentum in investment, industrial activity and international trade.

The depository receipt (“DR”) market had a strong year as well. The global IPO market gained momentum and the American depository receipt (“ADR”) market became attractive again for Chinese issuers, evidenced by the largest number of U.S. listings from China since 2014. Interesting to note also that after a political change in the country, Argentinian companies looking to raise funds accessed the U.S. markets via DRs for the first time in many years. Besides a notable uptick in DR market listings, we also witnessed a higher amount of capital raisings. However, trading volumes came in slightly lower than the year before; in line with the overall markets. Investor interest in the DR product remained strong as reflected in an increase in both the number of DRs outstanding and the number of new active programs.

The JOBS Act of 2012, which allows global emerging growth companies to list in the U.S. by taking advantage of the decreased regulatory burden for IPO companies with less than \$1.07 billion in revenue, has been a strong contributor to the uptrend in DR listings. The industry sector that was most noticeably represented was health sciences with small cap companies from Europe and Asia listing DRs in the U.S. These issuers benefited from a strong U.S. investor base familiar with the industry and its potential for growth. We expect the overall trend to continue in 2018 as the pipeline of global companies looking to access the U.S. market through the JOBS Act remains healthy.

A trend we talked about last year was the rising focus by investors on companies’ performance on environmental, social and governance standards (“ESG”). While this trend started foremost with an emphasis on best practices in corporate governance, today global investors are strongly focused on environmental and social issues as well. In 2017, we had ongoing discussions related to determining the type of information that is material to a particular company and how traditional concepts of materiality play into the ESG analysis. We expect ESG evaluation to become an integral part of every investment decision.

A topic of avid interest to our clients in 2017 was the enactment of MIFID II regulations by the European Union. Discussions ranged from the impact this European regulation might have globally, to the changes it might bring to IR departments and if there is anything that can be done to be prepared.

Fundamental changes in the investor landscape continued to forge ahead in 2017. The upsurge of passive investing, the rising focus on artificial intelligence among investors, the global spread of shareholder activism and the impact this new reality will have on the daily practice and the future of corporates were on the minds of many IR professionals.

Throughout 2017, we addressed these subjects in depth to help our issuers understand and prepare for investor expectations in the many events we organized globally.

Looking towards 2018, we remain optimistic. We still see a vigorous pipeline of IPOs aiming to come to market due to strong investor interest into non-U.S. equities. International investment in non-U.S. equities stood at \$8.6 trillion in Q3 2017 (up 20% from the same point in 2016), and we strongly believe that the markets are favorable to seeing this trend continue.

With respect to fixed income investing, we have strong confidence that investors will continue to demand access to international debt instruments through Global Depository Notes (“GDNs”) as we continue to open new markets.

On behalf of the Citi Depository Receipt Services team, we look forward to continuing to provide global issuers, investors and intermediaries with capital market cross-border solutions. We hope you gain valuable insights from our 2017 report.

Sincerely,

Nancy Lissemore

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GLOBAL DR TRENDS



DR ACCESS PRODUCTS



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ABOUT CITI DEPOSITARY
RECEIPT SERVICES

1. Global DR Trends

“

A robust market in 2017 provided an ideal backdrop for issuers looking to diversify their investor bases and investors seeking increased exposure to international markets through Depositary Receipts.”

Scott Pollak

**Global Products & Capital Markets Solutions Head
Citi Depositary Receipt Services**




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ABOUT CITI DEPOSITORY RECEIPT SERVICES

Global DR Liquidity

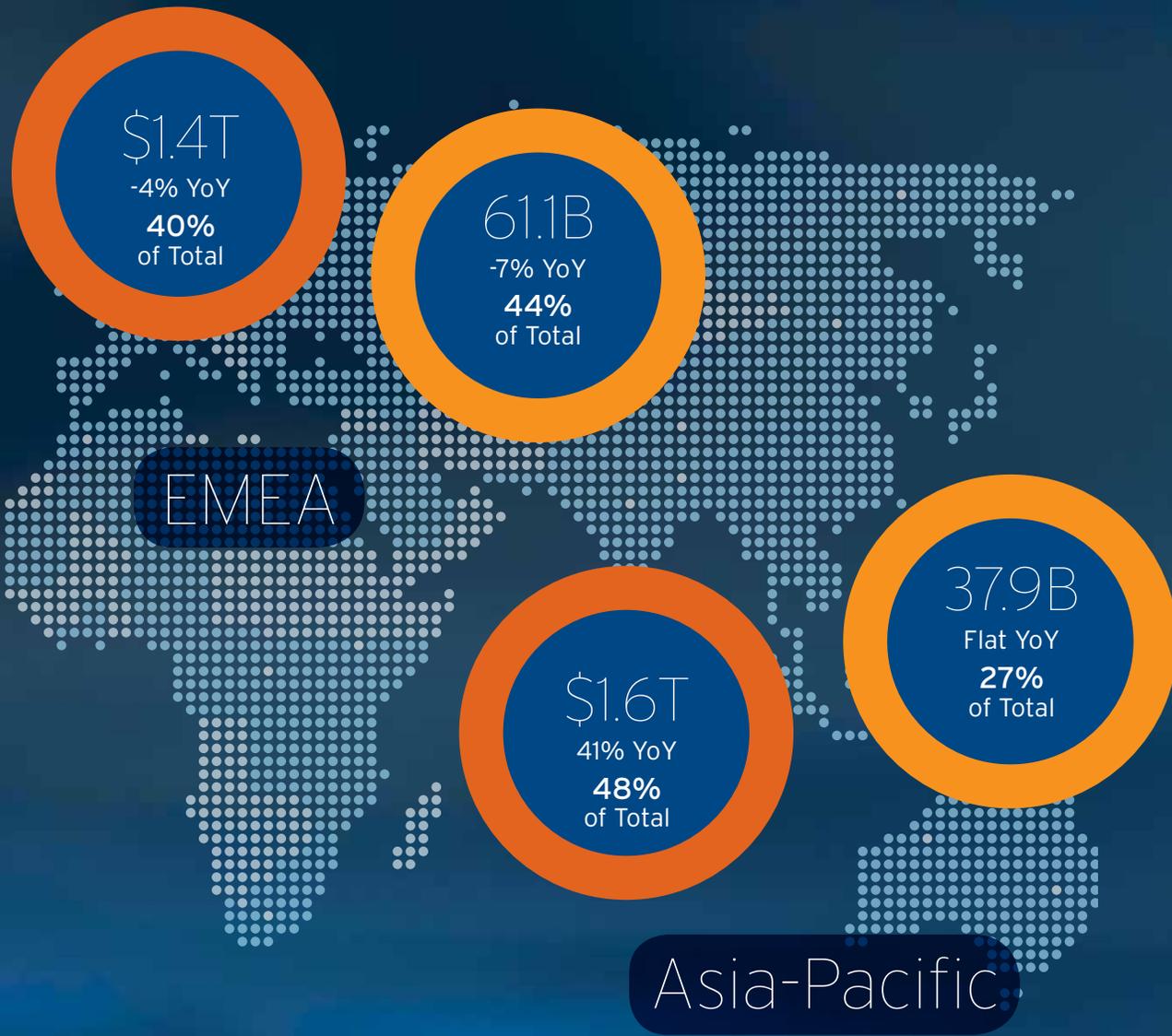
- DR TRADING VALUE
- DR TRADING VOLUME



LATAM



TOTAL: \$3.4T in DR Trading Value
140.0B in DR Trading Volume



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Global DR Liquidity (cont.)

Most Liquid DR Exchanges

DR Liquidity Highlights

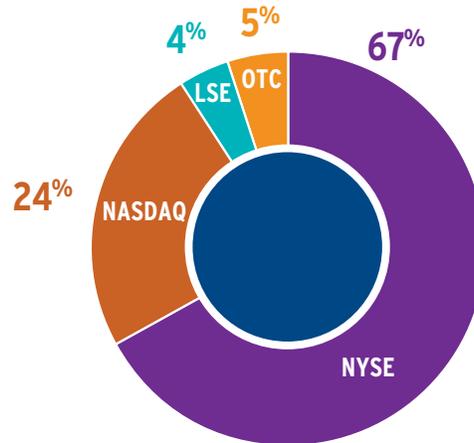
Trading Value

- Up **16%** from 2016 primarily due to increases in DR trading value on NYSE
- **48%** of total from Asia-Pacific
- **40%** of total from EMEA
- **12%** of total from LATAM

Trading Volume

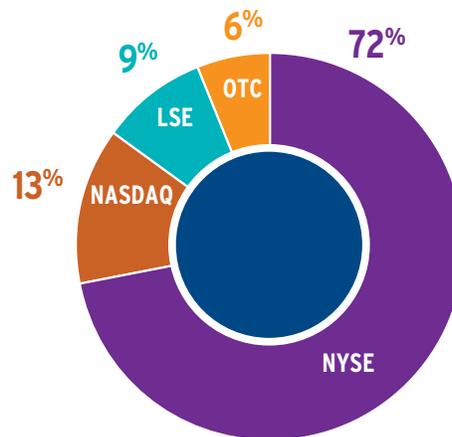
- Down **9%** from 2016 primarily due to decline in DR trading volume on NYSE
- **44%** of total from EMEA
- **29%** of total from LATAM
- **27%** of total from Asia-Pacific

DR Trading Value¹



Total DR Value: \$3.4T

DR Trading Volume¹



Total DR Volume: 140.0B DRs Traded

Top Ten Most Liquid DR Programs

By Trading Value¹

Issuer	Country	Exchange	2017 Value (USD Billions)
Alibaba Group Holding Ltd	China	NYSE	\$583.4
Baidu Inc	China	NASDAQ	\$132.4
JD.com Inc	China	NASDAQ	\$112.3
NetEase Inc	China	NASDAQ	\$95.7
Teva Pharmaceutical Industries Ltd	Israel	NYSE	\$89.2
Vale SA	Brazil	NYSE	\$85.3
Royal Dutch Shell PLC	UK	NYSE	\$73.0
ASML Holding NV	Netherlands	NASDAQ	\$64.8
Petroleo Brasileiro SA	Brazil	NYSE	\$59.0
British American Tobacco PLC	UK	NYSE	\$57.8

By Trading Volume¹

Issuer	Country	Exchange	2017 Volume (Millions)
Vale SA	Brazil	NYSE	8,888.7
Petroleo Brasileiro SA	Brazil	NYSE	6,258.2
Ambev SA	Brazil	NYSE	5,164.2
Teva Pharmaceutical Industries Ltd	Israel	NYSE	4,167.2
Alibaba Group Holding Ltd	China	NYSE	3,893.1
Gazprom PJSC	Russia	LSE	3,506.6
Nokia OYJ	Finland	NYSE	3,382.0
JD.com Inc	China	NASDAQ	2,906.7
Itau Unibanco Holding SA	Brazil	NYSE	2,781.2
Banco Bradesco SA	Brazil	NYSE	2,709.7

Source: Bloomberg and Depository Data Interchange.

¹ Data as of December 31, 2017.



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Global DR Capital Raisings

DR Capital Raisings Highlights

- Total DR capital raised up **126%** versus 2016
- DR IPO capital raisings up **145%** to **\$9.4 billion** in 2017
- DR follow-on capital raising up **101%** to **\$6.2 billion** in 2017
- **\$12.8 billion** in ADR capital raised
- **\$2.8 billion** in GDR capital raised
- **24** issuers completed IPOs by way of the JOBS Act

GLOBAL



Total Capital Raisings
\$15.6B

Year-over-Year Change

126%

of Capital Raisings

65

Year-over-Year Change

91%

EMEA



Total Capital Raisings
\$4.4B

Year-over-Year Change

161%

of Capital Raisings

28

Year-over-Year Change

40%

The JOBS Act of 2012: The Jumpstart Our Business Startups Act (JOBS Act) was enacted by the U.S. Congress in 2012 to encourage more companies, including non-U.S. companies, to raise capital through initial public offerings and list in the U.S.

ASIA-PACIFIC



Total Capital Raisings
\$7.0B

Year-over-Year Change

43%

of Capital Raisings

29

Year-over-Year Change

123%

LATAM



Total Capital Raisings
\$4.2B

Year-over-Year Change

1,275%

of Capital Raisings

8

Year-over-Year Change

700%



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The JOBS Act established a new category of issuer known as an Emerging Growth Company (EGC) for which significant regulatory burdens were lifted. A company qualifies as an EGC if it had less than \$1.07 billion in gross revenues during the most recently completed fiscal year. Notably, EGCs receive certain exemptions from procedural and disclosure requirements during a transition period of up to five years following an IPO.

Global DR Capital Raisings (cont.)

DR IPOs¹

Issuer	Country	Industry ²	USD Value (in Millions)
En+ Group plc*	Russia	Energy	\$1,570
Loma Negra Compania Industrial Argentina S.A.*	Argentina	Industrials	\$1,017
<i>Qudian Inc.</i>	China	Financials	\$900
<i>Sea Limited</i>	Singapore	Software & Services	\$884
<i>Sogou, Inc</i>	China	Software & Services	\$658
BEST Inc.*	China	Consumer Discretionary	\$518
GlobalWafers Co., Ltd.*	Taiwan	Semiconductors	\$469
Azul S.A.*	Brazil	Transportation	\$421
<i>Ablynx N.V.</i>	Belgium	Pharmaceuticals, Biotechnology	\$230
<i>PPDAI Group Inc.*</i>	China	Financials	\$221
General Interface Solution (GIS) Holding Limited*	Taiwan	Technology Hardware & Equipment	\$207
PJSC Polyus	Russia	Industrials, Metals & Mining	\$200
<i>RISE Education Cayman Ltd.</i>	China	Consumer Services	\$183
<i>Bright Scholar</i>	China	Commercial & Professional Services	\$181
<i>Jianpu Technology Inc.</i>	China	Financials	\$180
<i>Zai Lab Limited*</i>	China	Pharmaceuticals, Biotechnology	\$172
<i>RYB Education, Inc.*</i>	China	Consumer Discretionary	\$166
<i>Erytech Pharma S.A.</i>	France	Pharmaceuticals, Biotechnology	\$125

Source: Bloomberg and Depository Data Interchange.

*Signifies Citi DR program capital raising.

IPO Deals in ***bold italics*** signify a JOBS Act Deal.

¹ Defined as capital raising at the time of listing of a new DR security, data as of December 31, 2017.

² Industry as defined by Bloomberg.

Issuer	Country	Industry ²	USD Value (in Millions)
<i>argenx</i>	Netherlands	Pharmaceuticals, Biotechnology	\$115
<i>NuCana PLC*</i>	UK	Pharmaceuticals, Biotechnology	\$114
<i>Secoo Holding Limited</i>	China	Consumer Discretionary	\$111
<i>LexinFintech</i>	China	Financials	\$108
<i>Four Seasons Education, Inc</i>	China	Consumer Discretionary	\$101
<i>Zealand Pharma</i>	Denmark	Pharmaceuticals, Biotechnology	\$90
<i>Verona Pharma plc*</i>	UK	Pharmaceuticals, Biotechnology	\$88
<i>Nightstar Therapeutics PLC*</i>	UK	Pharmaceuticals, Biotechnology	\$86
<i>China Rapid Finance Limited*</i>	China	Financials	\$69
Chi Mei Materials Technology Corp	Taiwan	Technology Hardware & Equipment	\$65
<i>Hexindai Inc.*</i>	China	Diversified Financials	\$50
<i>iClick Interactive Asia Group</i>	Hong Kong	Media	\$35
<i>Therapix Biosciences</i>	Israel	Pharmaceuticals, Biotechnology	\$14
<i>Immuron Limited</i>	Australia	Pharmaceuticals, Biotechnology	\$6
Grand Total			\$9,355



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Global DR Capital Raisings (cont.)

DR Follow-On Offerings¹

Issuer	Country	Industry ²	USD Value (in Millions)
Banco Macro S.A.	Argentina	Financials	\$598
Grupo Financiero Galicia S.A.	Argentina	Financials	\$522
Banco Santander Brasil SA	Brazil	Banks	\$510
YY Inc.	China	Software & Services	\$463
Grupo Supervielle S.A.	Argentina	Financials	\$403
Galapagos NV*	Belgium	Health Care	\$388
BBVA Banco Frances S.A.	Argentina	Financials	\$349
Melco Resorts & Entertainment Ltd	Hong Kong	Consumer Discretionary	\$337
Azul S.A.*	Brazil	Transportation	\$327
GW Pharmaceuticals plc*	UK	Pharmaceuticals, Biotechnology	\$317
Hutchison China MediTech Limited	Hong Kong	Pharmaceuticals, Biotechnology	\$301
argenx	Netherlands	Pharmaceuticals, Biotechnology	\$266
Veon	Netherlands	Telecommunication Services	\$263
TPK Holding Co., Ltd.* ³	Taiwan	Electronics	\$236
Talend SA ⁴	France	Software & Services	\$218
BeiGene, Ltd.*	China	Pharmaceuticals, Biotechnology	\$201
CTrip.com International Ltd.	China	Travel & Leisure	\$172
Ascendis Pharma A/S	Denmark	Pharmaceuticals, Biotechnology	\$155

Source: Bloomberg and Depository Data Interchange.

*Signifies Citi DR program capital raising.

¹ Defined as capital raising at the time of listing of additional DR securities including rights offerings and private placements. Data as of December 31, 2017.

² Industry as defined by Bloomberg.

³ Aggregate value of two (2) follow-on capital raisings: \$231.7MM, \$4.5MM (September 8, 2017).

⁴ Aggregate value of two (2) follow-on capital raisings: \$110MM (November 15, 2017), \$107.8MM (March 21, 2017).

⁵ Aggregate value of two (2) follow-on capital raisings: \$65.9MM (March 27, 2017), \$42MM (April 10, 2017).

Issuer	Country	Industry ²	USD Value (in Millions)
Adaptimmune Therapeutics plc* ⁵	UK	Pharmaceuticals, Biotechnology	\$108
BioLineRX	Israel	Pharmaceuticals, Biotechnology	\$29
Summit Therapeutics plc	UK	Pharmaceuticals, Biotechnology	\$20
Akari Therapeutics Plc	UK	Pharmaceuticals, Biotechnology	\$17
Sequans Communications SA	France	Technology Hardware & Equipment	\$14
BiondVax Pharmaceuticals Ltd	Israel	Pharmaceuticals, Biotechnology	\$10
Can-Fite BioPharma	Israel	Pharmaceutical	\$5
Prima BioMed Limited	Australia	Health Care Equipment & Services	\$5
Medigus Ltd	Israel	Health Care Equipment & Services	\$3
XTL Biopharmaceuticals Ltd.	Israel	Pharmaceuticals, Biotechnology	\$3
Grand Total			\$6,240



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ABOUT CITI DEPOSITORY RECEIPT SERVICES

Global DR Trends by Sector

Global DR Liquidity by Industry

DR Trading Value (in USD Billions)¹

INDUSTRY		2017 VALUE	CHANGE VS. 2016	
	Internet	\$1,070	50%	
	Pharmaceuticals	\$331	-15%	
	Oil & Gas	\$288	-18%	
	Banks	\$246	2%	
	Software	\$176	86%	
	Semiconductors	\$166	25%	
	Iron/Steel	\$143	51%	
	Mining	\$137	-13%	
	Telecommunications	\$134	-8%	
	Beverages	\$102	-11%	

DR Trading Volume (in Billions)¹

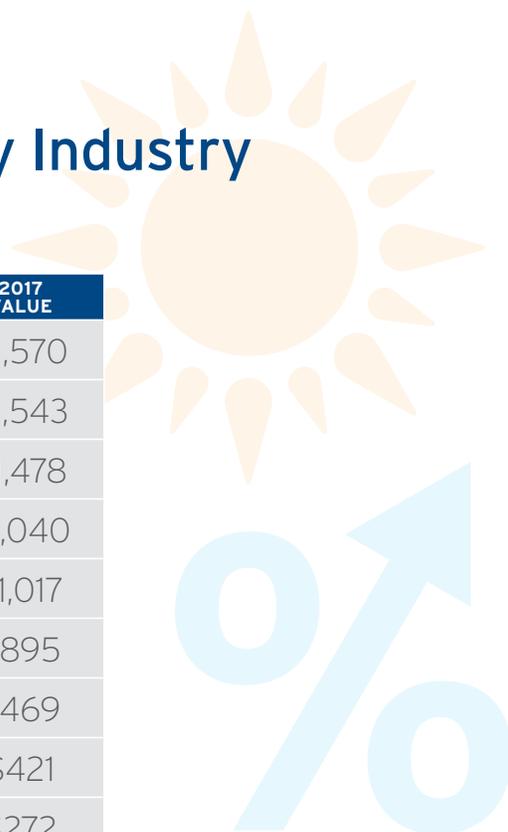
INDUSTRY		2017 VOLUME	CHANGE VS. 2016	
	Banks	21	-26%	
	Oil & Gas	17	-28%	
	Internet	16	3%	
	Iron/Steel	14	-13%	
	Telecommunications	11	-8%	
	Pharmaceuticals	9	22%	
	Mining	8	-14%	
	Beverages	6	14%	
	Semiconductors	5	16%	
	Building Materials	3	-24%	

¹ Represents the top ten industries as defined by Bloomberg.

Global DR Capital Raisings by Industry

DR IPOs (in USD Millions)¹

INDUSTRY		2017 VALUE
 Energy		\$1,570
 Software & Services		\$1,543
 Financials		\$1,478
 Pharmaceuticals, Biotechnology		\$1,040
 Industrials		\$1,017
 Consumer Discretionary		\$895
 Semiconductors		\$469
 Transportation		\$421
 Technology Hardware & Equipment		\$272
 Industrials, Metals & Mining		\$200



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DR Follow-On Offerings (in USD Millions)^{1,2}

INDUSTRY		2017 VALUE
 Financials		\$1,872
 Pharmaceuticals, Biotechnology		\$1,428
 Software & Services		\$681
 Banks		\$510
 Health Care		\$388
 Consumer Discretionary		\$337
 Transportation		\$327
 Telecommunication Services		\$263
 Electronics		\$236
 Travel & Leisure		\$172



² Defined as capital raising at the time of listing of additional DR securities including rights offerings and private placements.

2. DR Access Products

“**T**he use of GDNs by international investors and broker-dealers to access local bond markets was robust in 2017, aided by favorable market conditions in EMFX and increased awareness of the GDN product.”

Justin Karol

**Global Product Head,
Global Depositary Notes
Citi Depositary Receipt Services**



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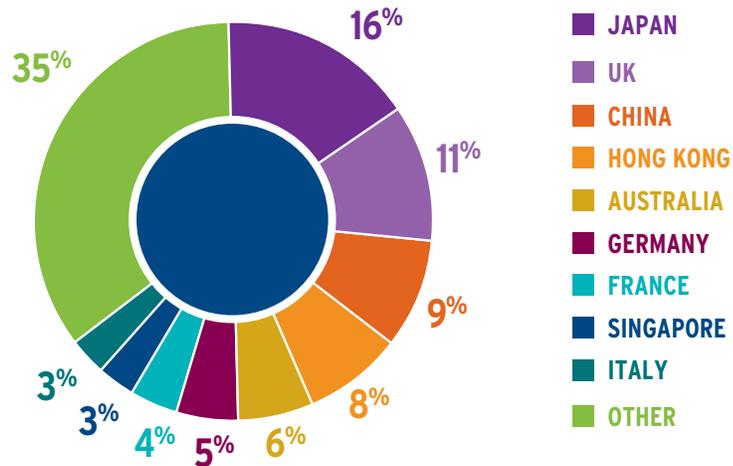
Un-sponsored DR Programs

Un-sponsored DR Highlights

Trading Volume

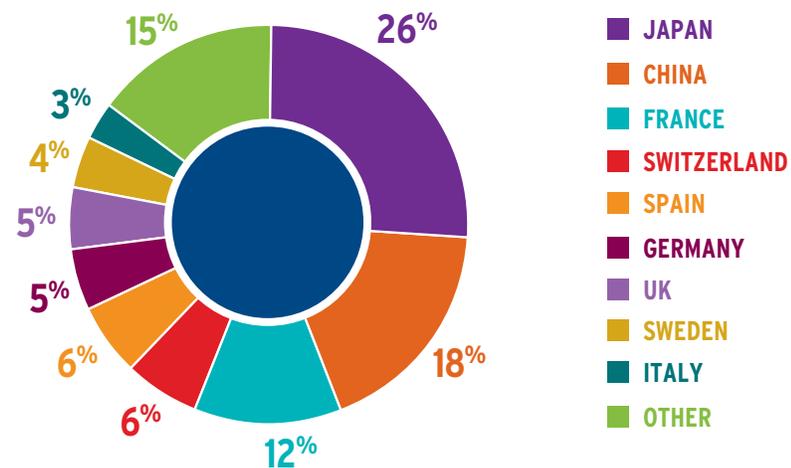
- Down **3%** from 2016 primarily driven by less trading volume from Japanese and Swiss DR programs
- **16%** of total from internet companies
- **9%** of total from banks
- **6%** of total from retail companies

Number of DR Programs¹



Total DR Program Count: 1,644

DR Trading Volume¹



Total DR Volume: 2.9B DRs Traded

Unlike traditional sponsored ADR programs, un-sponsored ADR programs are established by a depositary bank without the direct involvement of the respective non-U.S. company, provided that the company's securities represented by the ADRs are either registered or qualify for an exemption from Securities and Exchange Commission (SEC) registration. An October 2008 SEC rule change simplified the manner in which this exemption is obtained, making it automatically available to many non-U.S. companies provided they meet certain requirements.

Top Ten Un-sponsored DR Programs

Issuer	Country	2017 Volume (DR Millions)
Tencent Holdings Ltd	China	436.3
Nintendo Co Ltd	Japan	97.7
Mongolian Mining Corp	Mongolia	70.7
CaixaBank SA	Spain	64.8
SoftBank Group Corp	Japan	59.5
Cie Financiere Richemont SA	Switzerland	55.7
Eurobank Ergasias SA	Greece	55.3
Enel SpA	Italy	54.7
CK Hutchison Holdings Ltd	Hong Kong	54.5
Airbus SE	France	51.4

Source: Bloomberg and Depository Data Interchange.

Top Ten Volume Movers

Issuer	Country	Volume (DR Millions)		
		2016	2017	Increase/ (Decrease) ²
Tencent Holdings Ltd	China	190	436	247
Cie Financiere Richemont SA	Switzerland	129	56	(74)
Nintendo Co Ltd	Japan	167	98	(69)
Glencore PLC	Switzerland	71	39	(32)
KDDI Corp	Japan	53	26	(27)
FANUC Corp	Japan	70	45	(26)
SoftBank Group Corp	Japan	35	60	24
Bank Mandiri Persero Tbk PT	Indonesia	40	16	(24)
Eurobank Ergasias SA	Greece	34	55	22
Industria de Diseno Textil SA	Spain	17	37	20

Source: Bloomberg and Depository Data Interchange.

¹ Data as of December 31, 2017.

² Absolute Change in DR trading volume.



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ABOUT CITI DEPOSITORY RECEIPT SERVICES

Global Depository Notes (GDNs)

GDNs for Issuers

A GDN program can also be proactively employed by an issuer of local bonds as a mechanism to expand distribution in a primary market offering transaction

Efficient Access to Local Debt Securities in a Depository Receipt Format

GDNs Evidence Ownership of Local Bonds

- Like American Depository Receipts (ADRs) and Global Depository Receipts (GDRs), GDNs replicate the characteristics (interest rate, maturity date, credit quality, etc.) of the respective underlying local securities and are fungible with the underlying securities

GDNs Facilitate the Global Trading and Settlement of Local Bonds

- Euroclear, Clearstream and DTC-eligible
- Can be purchased or sold via multiple broker-dealers
- Made available to institutional investors globally, via Reg S and Rule 144A

GDNs are Denominated and Transacted in U.S. Dollars

- Trading, settlement and payment of interest and principal in U.S. dollars
- The depository bank (such as Citi) conducts the exchange of local currency for U.S. dollars in relation to cash distributions from the underlying local bonds

Current GDN Markets

Latin America (LATAM)



Chile



Colombia



Costa Rica



Dominican Republic



Ecuador



El Salvador



Guatemala



Jamaica



Mexico (Pemex)



Panama



Peru

Europe, Middle East & Africa (EMEA)



Kazakhstan



Nigeria



Rwanda



Turkey



Uganda



Zambia

Asia Pacific



Vietnam



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3. Regional Trends

“

In 2017, a growing number of investors began holding companies accountable for their environmental and social impact. We believe this trend will gain strength and we are communicating with our clients about various ways to proactively address this issue.”

Beate Melten

**Global Head of Investor Relations Advisory
Citi Depository Receipt Services**



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Asia-Pacific Snapshot

Asia-Pacific Highlights

Capital Raisings

- **\$7.0 billion** in DR capital raised
- **75%** via IPOs
- **25%** via follow-ons offerings

Trading Volume

- Remained flat YoY at **37.9 billion**
- Unsponsored trading volume up **1%** to **1.5B**

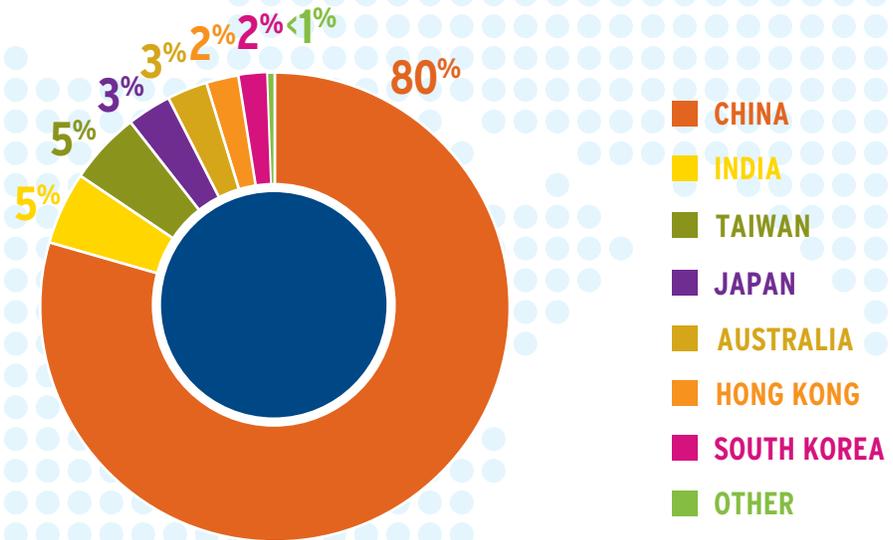
New DR Programs

- **28** new sponsored programs
- **10** on NYSE
- **7** on NASDAQ
- **6** on OTC
- **5** GDR programs

“We are seeing good pent-up demand in Asia for 2018. We expect the Chinese DR market to be as active as 2017 when Citi listed six companies from several sectors, including Education, Fintech and Biopharma. Notably, we also see opportunities in Taiwan and Korea, with companies planning IPOs for 2018.”

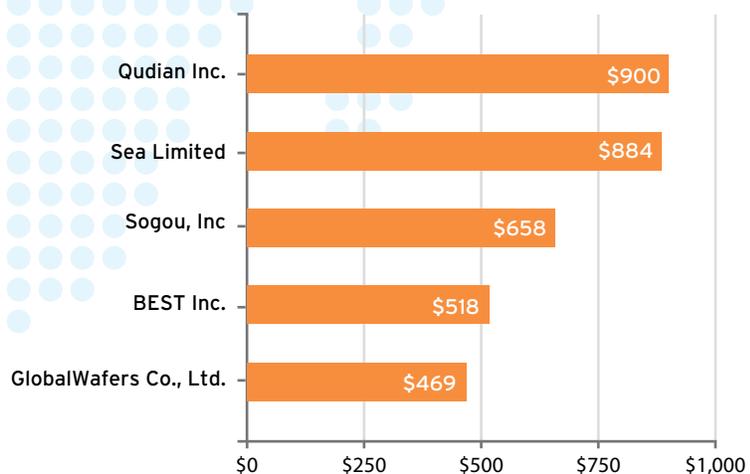
Miguel Perez-Lafaurie
Head of Asia Pacific

DR Trading Value¹

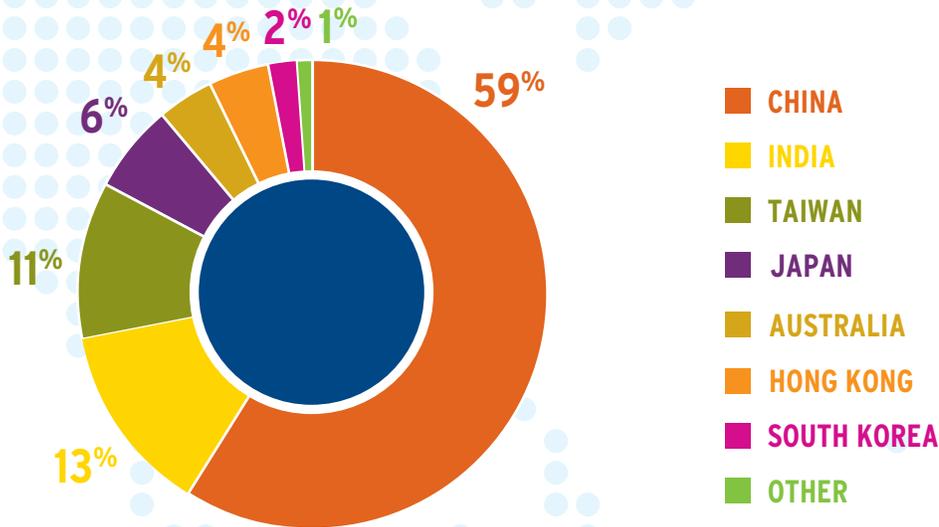


Total DR Trading Value: \$1.6T

Top Five DR Capital Raisings¹ (in USD Millions)



DR Trading Volume¹



Total DR Trading Volume: 37.9B

Top Five Most Liquid DR Programs¹

Issuer	Country	Exchange	2017 Volume (DR Millions)
Alibaba Group Holding Ltd	China	NYSE	3,893.1
JD.com Inc	China	NASDAQ	2,906.7
ICICI Bank Ltd	India	NYSE	1,970.1
Vipshop Holdings Ltd	China	NYSE	1,762.1
Infosys Ltd	India	NYSE	1,549.9

Source: Bloomberg.



GLOBAL DR TRENDS



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ABOUT CITI DEPOSITORY RECEIPT SERVICES

¹ Data as of December 31, 2017.

EMEA Highlights

Capital Raisings

- **\$4.4 billion** in DR capital raised
- **59%** via IPOs
- **41%** via follow-ons offerings

Trading Volume

- Down **7%** from 2016 to **61.1 billion**
- Unsponsored trading volume down **8%** to **1.5 billion**

New DR Programs

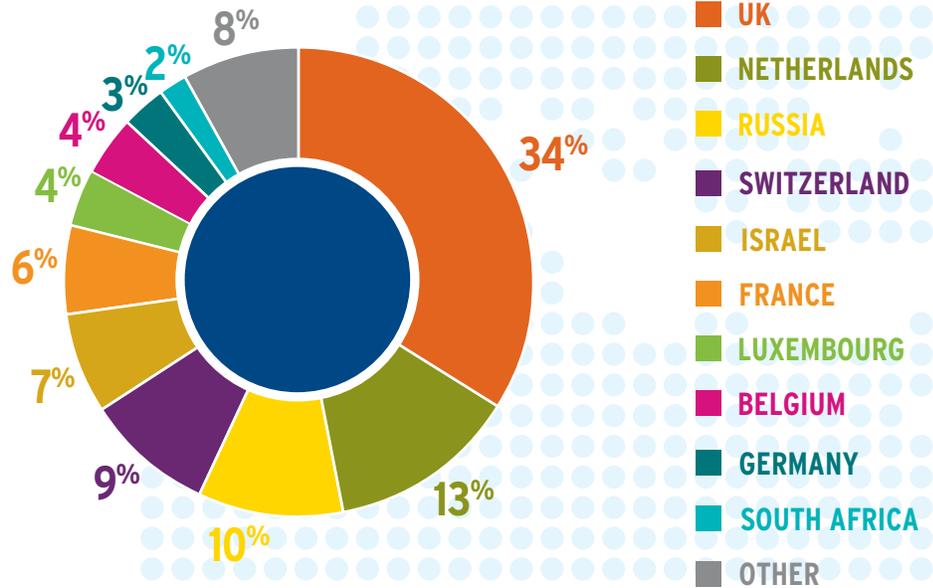
- **24** new sponsored programs
- **8** on NASDAQ
- **1** on NYSE
- **7** on OTC
- **8** GDR programs

"We feel positive for 2018. We expect to continue to see EMEA issuers access the U.S. capital markets through the JOBS Act and other issuers seek GDR listings in London."

Ayden Dagg
Head of EMEA

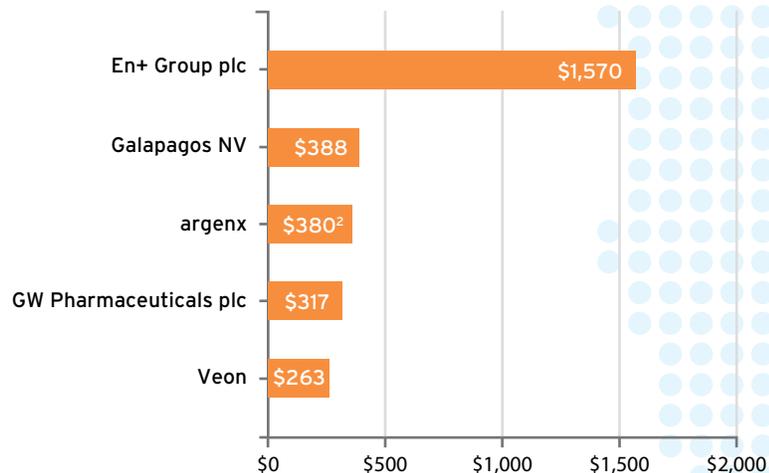
Europe, Middle East & Africa (EMEA) Snapshot

DR Trading Value¹

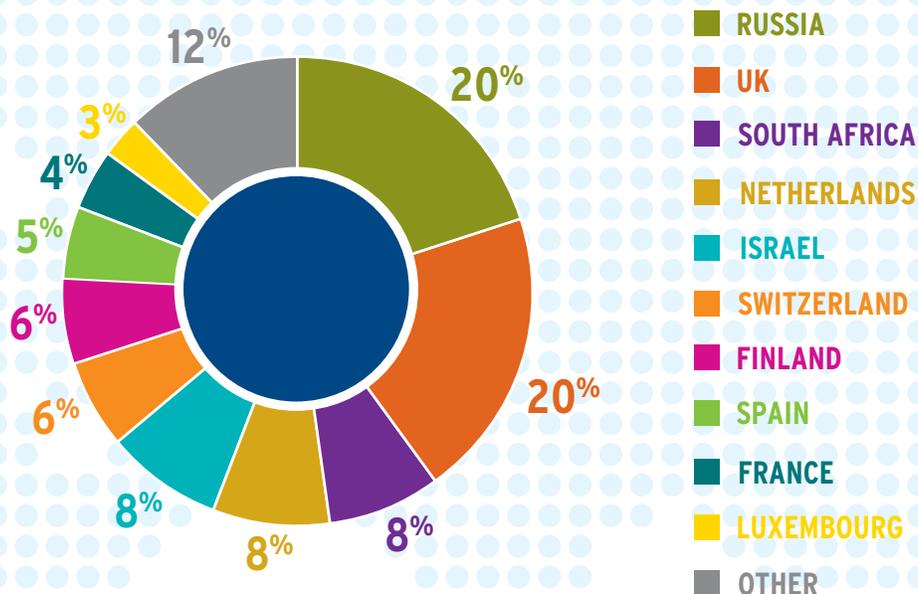


Total DR Trading Value: \$1.4T

Top Five DR Capital Raisings¹ (in USD Millions)



DR Trading Volume¹



Total DR Trading Volume: 61.1B

Top Five Most Liquid DR Programs¹

Issuer	Country	Exchange	2017 Volume (DR Millions)
Teva Pharmaceutical Industries Ltd	Israel	NYSE	4,167.2
Gazprom PJSC	Russia	LSE	3,506.6
Nokia OYJ	Finland	NYSE	3,382.0
Sberbank of Russia PJSC	Russia	LSE	1,942.1
Gold Fields Ltd	South Africa	NYSE	1,595.9

Source: Bloomberg.



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¹ Data as of December 31, 2017.

² Aggregate value of IPO and one (1) follow-on capital raising: \$115MM (May 23, 2017), \$266MM (December 14, 2017).

LATAM Highlights

Capital Raisings

- **\$4.1 billion** in DR capital raised
- **35%** via IPOs
- **65%** via follow-ons offerings

Trading Volume

- Down **17%** from 2016 to **41.0 billion**

New DR Programs

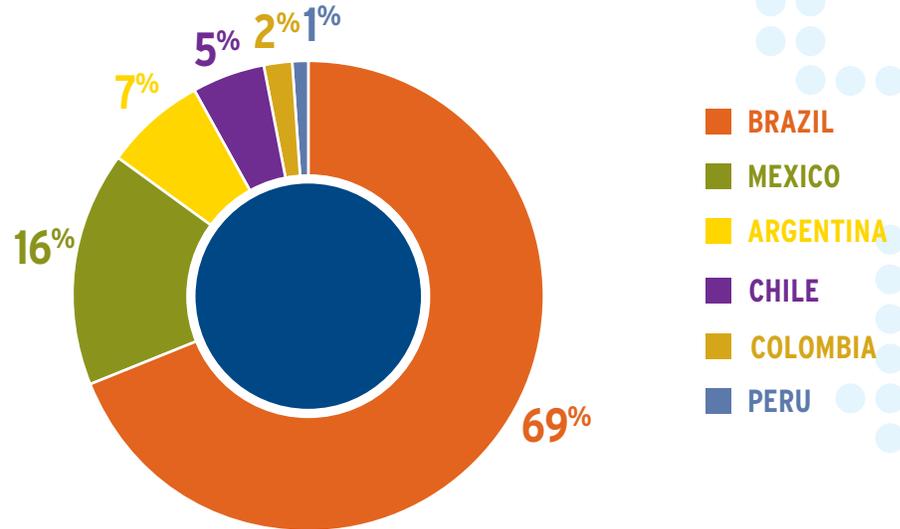
- **7** new sponsored programs
- **2** on NYSE
- **4** on OTC
- **1** GDR program

“After several years of reduced activity, the Latin American equity markets experienced a rebound in 2017. IPO activity picked up significantly, notably in Argentina, Brazil and Mexico. We expect this trend to continue into the beginning of 2018, as many of the region’s companies will seek to raise capital ahead of the presidential elections in several countries.”

Michael Morcom
Head of LATAM

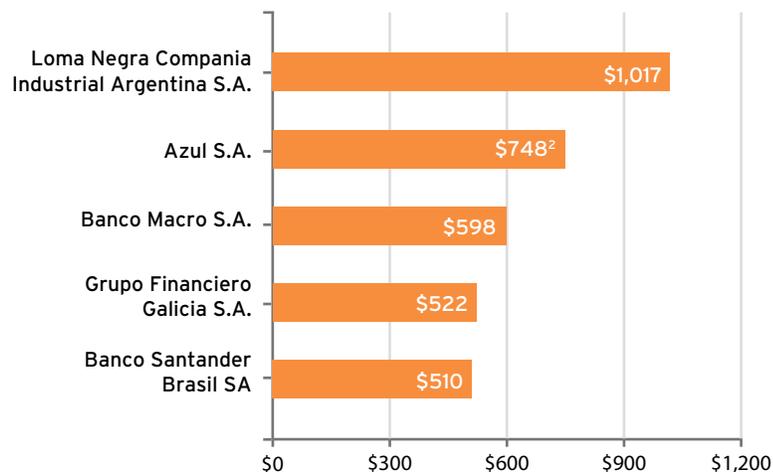
Latin America (LATAM) Snapshot

DR Trading Value¹

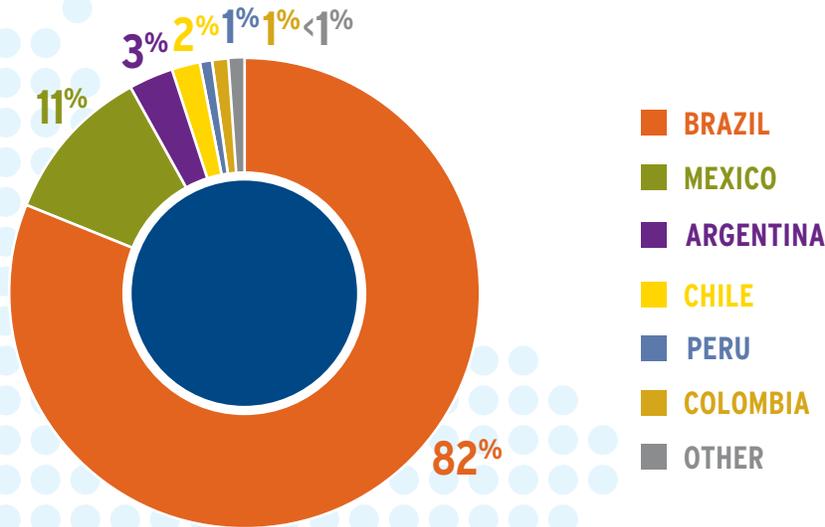


Total DR Trading Value: \$0.4T

Top DR Capital Raisings¹ (in USD Millions)



DR Trading Volume¹



Total DR Trading Volume: 41.0B

Top Most Liquid DR Programs¹

Issuer	Country	Exchange	2017 Volume (DR Millions)
Vale SA	Brazil	NYSE	8,888.7
Petroleo Brasileiro SA	Brazil	NYSE	6,258.2
Ambev SA	Brazil	NYSE	5,164.2
Itau Unibanco Holding SA	Brazil	NYSE	2,781.2
Banco Bradesco SA	Brazil	NYSE	2,709.7

Source: Bloomberg.

¹ Data as of December 31, 2017.

² Aggregate value of IPO and one (1) follow-on capital raising: 422MM (April 17, 2017), 327MM (September 19, 2017).



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ABOUT CITI DEPOSITORY RECEIPT SERVICES

4. International Investing Trends

“ In a year of market resurgence and robust demand, Citi’s Depository Receipt Services continued to provide innovative solutions to meet the evolving needs of clients and help achieve a seamless ownership experience for investors globally.”

Ganesh Sarpotdar

**Global Head of Account Management
Citi Depository Receipt Services**



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Institutional DR

International Investor Highlights

- The value of institutional holdings of DRs was **\$1.1 trillion** as disclosed in September 2017
- In terms of investor type, Investment Managers (Mutual Funds) and Hedge Funds accounted for roughly **85%** of the DR value held
- In terms of investment style, growth, value and index funds accounted for roughly **69%** of the DR value held

North America

DR VALUE HELD
\$757.0B
71% of Total

LATAM

DR VALUE HELD
\$5.0B
< 1% of Total

\$1.1T
Total Value of DRs Held

Ownership



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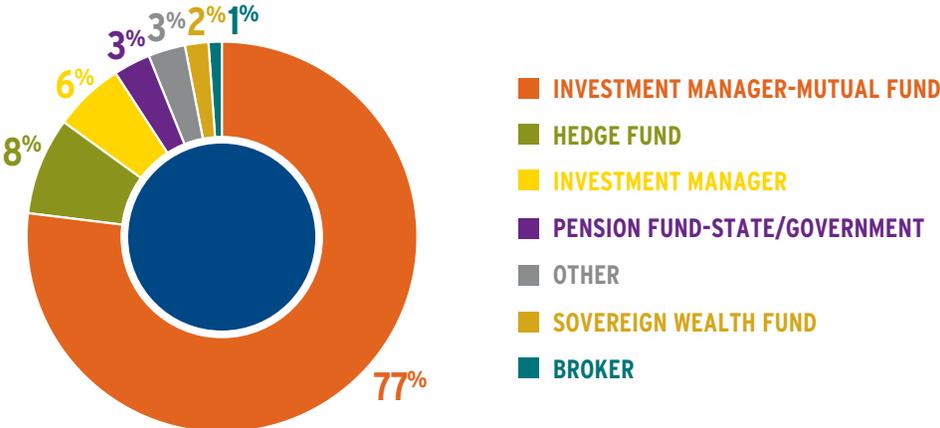
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Institutional DR Ownership (cont.)

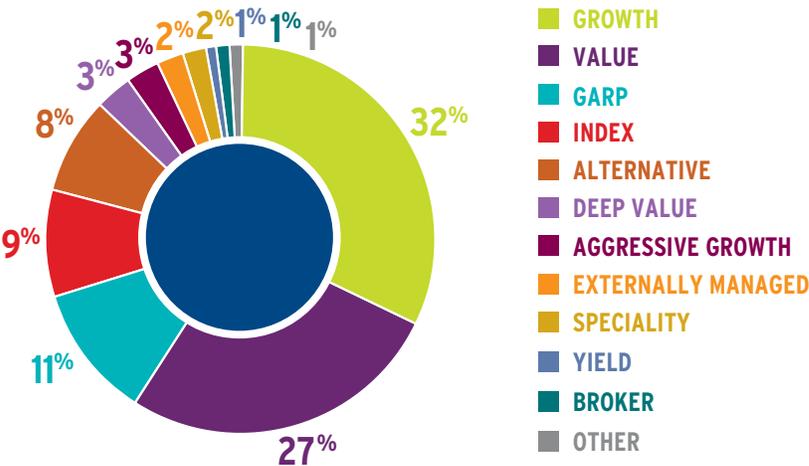
Top Institutional Holders of DRs

By Investor Type¹



Total Value of DRs Held: \$1.1T

By Investment Style^{1,2}



Total Value of DRs Held: \$1.1T

¹ Investment Style and Investor Type as defined by Ipreo. Data as of Q3 2017.

² GARP Funds: Growth at a Reasonable Price (GARP) investors hold securities that are trading at a discount to the market, but are expected to grow at a higher than the market or industry average. These companies are typically out of favor systematically or temporarily. This is a more conservative investment style compared to an outright growth-oriented strategy. Dividend yield is generally not a concern of GARP investors.

By Top Ten DR Holders^{1,2}

Holder Name	Investment Style	Investor Type	Value of DRs Held (USD Billions)
Capital World Investors (U.S.)	Value	Mutual Fund	\$29.8
Fidelity Management & Research Company	Growth	Mutual Fund	\$25.7
Fisher Investments	GARP	Mutual Fund	\$25.4
Baillie Gifford & Company, LTD	Growth	Mutual Fund	\$23.9
BlackRock Fund Advisors	Index	Mutual Fund	\$23.3
T. Rowe Price Associates, Inc.	Growth	Mutual Fund	\$19.5
The Vanguard Group, Inc.	Index	Mutual Fund	\$17.6
Dodge & Cox	Value	Mutual Fund	\$17.2
Wellington Management Company, LLP	Value	Mutual Fund	\$17.2
Capital Research Global Investors (U.S.)	GARP	Mutual Fund	\$16.1



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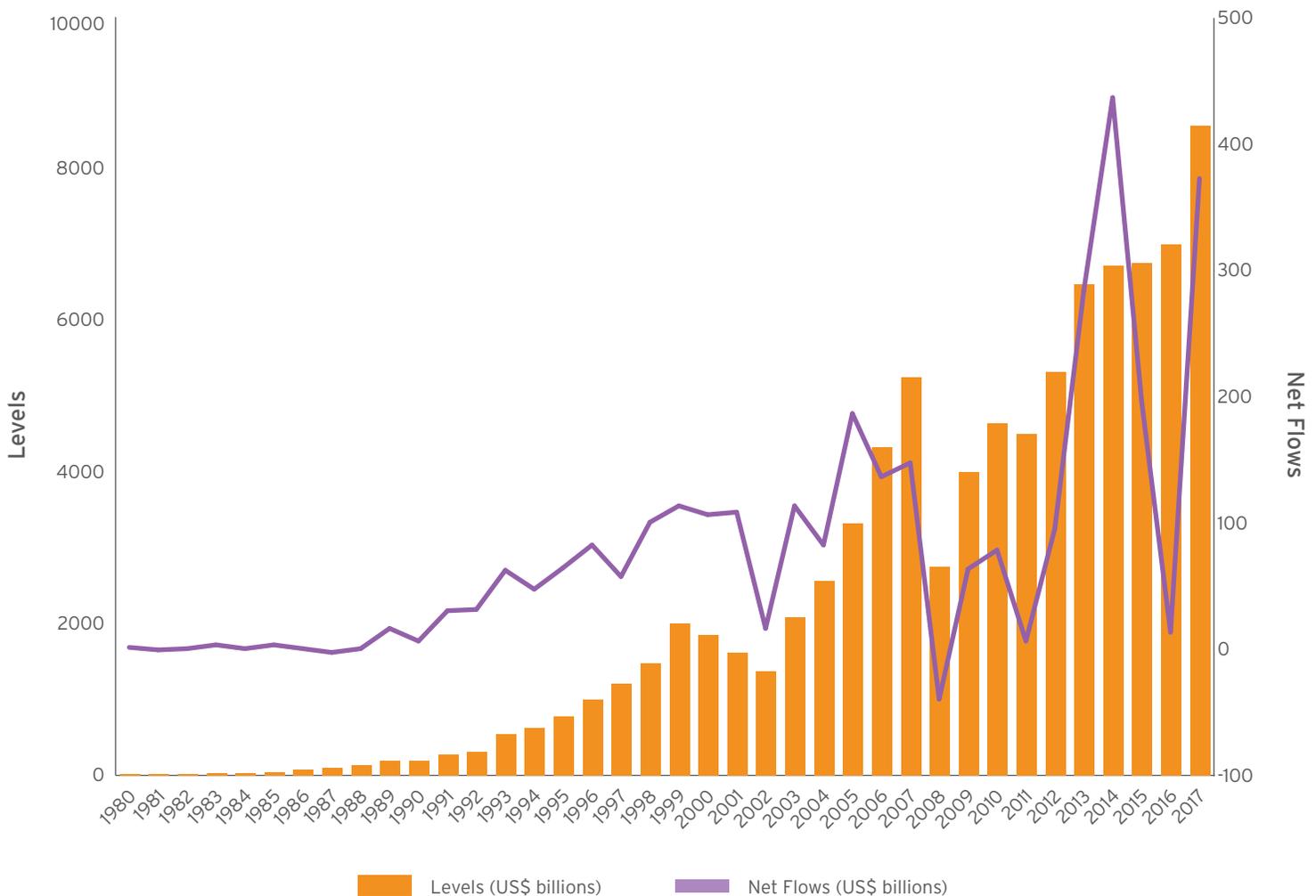
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International Investing

U.S. Investment in non-U.S. Equities

According to U.S. Federal Reserve data, U.S. investment in non-U.S. equities as of Q3 2017 was \$8.6 trillion, up 20% from the Q3 2016 level of \$7.2 trillion.



Trends

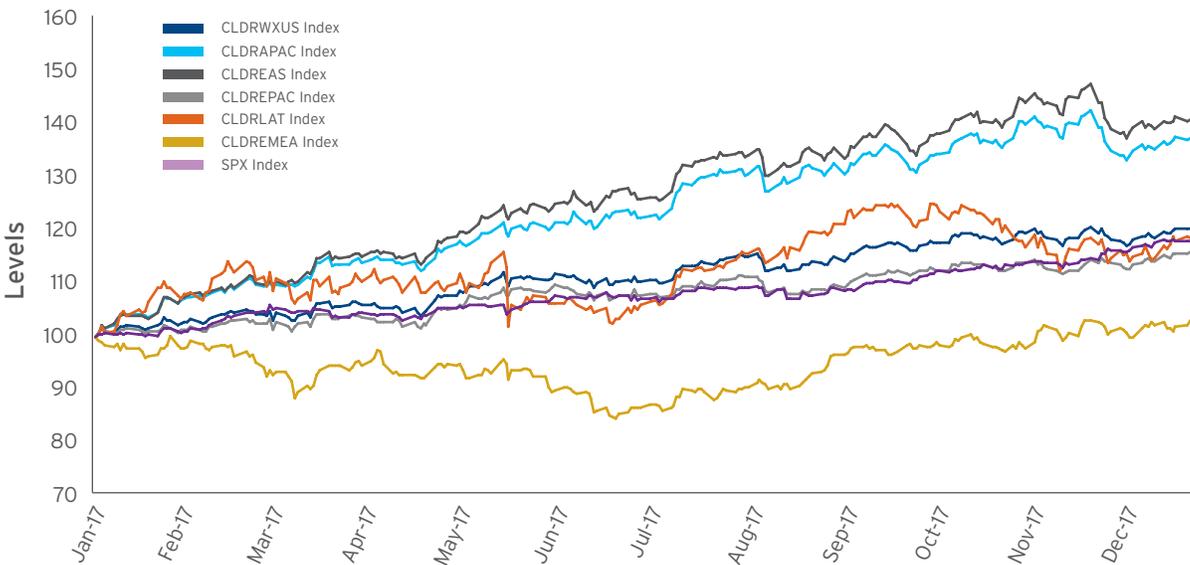
Citi Liquid DR Indices

Citi Depository Receipt Services maintains the Citi Liquid DR (CLDR) Indices to provide insight into international investor sentiment towards non-U.S. markets.

The CLDR Indices are free-float, market cap weighted and include only those companies that have actively traded U.S. exchange-listed ADRs or London-listed GDRs. The CLDR Indices are distinctive in that they:

- Provide a timely gauge of international investor sentiment towards non-U.S. markets at the end of the U.S. trading day, considering that all of the constituent equities trade in the U.S. and/or London time zones.
- More completely capture U.S. and international investor sentiment towards emerging markets by including London traded GDRs, unlike other DR indices.
- Include one of the few publicly available DR indices for Asia-Pacific ex-Japan and Asia-Pacific growth economies.

CLDR 2017 Performance^{1,2}



Source: Bloomberg.

¹ Data as of December 31, 2017.

² CLDRWXUS: World ex-U.S. Liquid DR Index; CLDRLAT: Latam Liquid DR Index; CLDRAPAC: AsiaPac ex-Japan Liquid DR Index; CLDREAS: AsiaPac Growth Economies Liquid DR Index; CLDREPAC: EuroPac Liquid DR Index; CLDREMEA: EMEA Liquid DR Index; SPX: S&P 500.



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ABOUT CITI DEPOSITORY RECEIPT SERVICES

5. About Citi Depository Receipt Services

Citi Depository Receipt Services is a leader in bringing quality issuers to global capital markets and in promoting DRs as an effective capital markets tool.



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ABOUT CITI DEPOSITORY RECEIPT SERVICES

About Citi DR Services

Citi began offering DRs in 1928 and today is widely recognized for providing issuers with its powerful global platform, facilitating access to a global network that issuers can use to build and grow their DR programs.

In support of a DR program, Citi Depository Receipt Services provides issuers with access to the following value-added resources:

- Global sales and equity distribution network with access to large and mid-tier institutional investors
- Dedicated Account Management team – enabling a single point of contact for comprehensive support
- Specialized Structuring and Implementation team that facilitates the efficient execution of transactions
- Innovative Product Management team to develop solutions for enhanced access to markets and investors
- Investor Relations (IR) Advisory – a team of former in-house corporate IR executives who counsel and support clients in all aspects of their global IR objectives

Global Distribution

Citigroup (Citi) is a leading global financial services company with approximately 200 million customer accounts in more than 160 countries. We provide consumers, corporations, governments and institutions with a broad range of financial products and services including consumer banking and credit, corporate and investment banking, securities brokerage and wealth management.

For DR clients, our services encompass information, support and counsel to major global issuers, as well as access to broad broker and investor audiences. We assist clients in accessing a diverse range of investors, including the largest global portfolio managers, wealth management advisory firms, Separately Managed Accounts (SMA) portfolios and specialized hedge funds. Our local presence in many markets is unmatched by any other depository bank and we facilitate superior liquidity for our programs via our global distribution network.

Citi's network is composed of salespeople and sales traders around the world, and is one of the largest institutional networks for DRs. Together with our comprehensive range of reporting, investor targeting and analytical services, Citi is in a leading position to administer and grow clients' DR programs globally. No other depository bank provides such a comprehensive network.

Citi's commitment to provide issuers with access to a comprehensive suite of value-added resources, including a combination of global reach and local expertise, access to an industry-leading global equity distribution network and specialized global investor relations support, helped Citi win key depository bank mandates in 2017.



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ABOUT CITI DEPOSITORY RECEIPT SERVICES

Investor Relations

Citi Depositary Receipt Services is dedicated to providing issuers with expertise and resources to support their IR program by focusing on the unique situation of each company and – in cooperation with the IR team – helping them develop solutions to help them achieve their specific IR goals.

In an environment where IR best practice is constantly evolving, driven by regulatory change, technological developments and the paramount need for issuers to stand out from the crowd to attract new investors, Citi provides clients with the knowledge required to help build a comprehensive IR program that delivers results. Throughout the year, Citi hosts roundtables and other events across EMEA, Asia and Latin America, as well as the signature IR Academy in New York and Shareholder University in London, to update clients on issues that are discussed in the global IR community. In 2017 our IR experts focused on three main subjects in client updates and meetings:

1. New trends in ESG, specifically the ongoing discussion on how to determine what information is material to a particular company, and how traditional concepts of materiality play into the ESG analysis;
2. MiFID II and the potential changes this new regulation can bring to issuers globally; and
3. Ongoing changes in the investor landscape and their impact on investor relations: The shift to passive, the rise of quantamental investing and the spread of shareholder activism.

Citi Depositary Receipt Services Global Client Events – 2017

Q1 2017	<ul style="list-style-type: none">• Webinar: Taiwan Proxy Trends• <i>IR Magazine</i> U.S. Awards, New York• IR Roundtable Madrid
Q2 2017	<ul style="list-style-type: none">• DKBIO2017: Danish biotech days at Citi Global Headquarters, New York• LSE Conference Tel Aviv• NIRI Annual Conference, Orlando, Florida• Think Tank and <i>IR Magazine</i> Europe Awards, London• IR Academy Seoul
Q3 2017	<ul style="list-style-type: none">• IR Academy Taipei• IR Academy Mumbai• Ipreo IR Wisdom Summit, Hong Kong and Beijing• Middle East Investor Relations Association Annual Conference, Dubai• Flagship IR Academy New York• IR Academy Buenos Aires• <i>Russian Investor Relations Magazine</i> Awards, Moscow
Q4 2017	<ul style="list-style-type: none">• IR Academy São Paulo• IR University and Shareholder University, London• IR Academy for Asian Issuers, Bangkok• IR Roundtables – Hong Kong, Taipei, Seoul• <i>IR Magazine</i> Greater China Conference & Awards, Hong Kong

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Citi

Citi, the leading global bank, has approximately 200 million customer accounts and does business in more than 160 countries and jurisdictions. Citi provides consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, transaction services, and wealth management.

About Citi's Depositary Receipt Services

Depositary Receipt Services is a leader in bringing quality issuers to the U.S. and other markets and promoting Depositary Receipts (DRs) as an effective capital markets tool. Citibank began offering ADRs in 1928 and today is widely recognized for providing non-U.S. companies with a gateway to the resources of Citi and the means to diversify shareholder bases and increase liquidity. For further information, visit citi.com/dr.

Past performance is not indicative of future results.

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