

Citi Depository Receipt Services



Year-End 2018 Report

FEBRUARY 2019



2018 Year-End Highlights

- Depository receipt (DR) capital raising totaled \$18.4 billion globally
- DR trading volume was up 11% to 162.7 billion shares in 2018 versus 146.1 billion in 2017
- U.S. investment in non-U.S. equities as of Q3 2018 was \$8.9 trillion, up 3% from the same point in 2017
- The value of DRs held by institutional investors totaled \$1.1 trillion as of Q3 2018
- The pool of unsponsored ADR programs remains strong at 1,497 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,

2018 continued for several quarters with record breaking global growth, notwithstanding disquieting signs on the horizon. Geopolitical worries eventually slowed the markets in the fourth quarter. The U.S.-China trade war, the Fed interest rate hikes, Brexit and other uncertainties ultimately affected investor sentiment.

However, throughout all of 2018 investor interest in the depository receipt ("DR") product remained strong, evidenced by the value of DRs held by institutional investors, which reached all-time highs, as well as the robust capital raising in DR form by non-U.S. issuers. Initial public offerings via DRs soared to the highest level in four years and DRs remained an attractive option for foreign issuers seeking capital markets access in the U.S. The number of Chinese companies listing in the U.S. surpassed 2017's previous four-year high. The uptick in the amount of capital raised coincided with higher trading volumes as well as higher trading values, both in line with increased market volatility and overall market conditions.

We are excited to see a number of new market initiatives in the DR space, especially the creation of the Shanghai-London Stock Connect ("SLSC"). The SLSC's vision is to enable global investors access to China "A" share companies via global depository receipts ("GDRs"), while at the same time permitting Chinese investors access to qualifying LSE-premium listed shares via Chinese depository receipts ("CDRs"). We have also seen renewed activity in some markets: Kazatomprom's IPO in London launched in November and was the first by a large Kazakh company in more than a decade, while we also saw another IPO from Argentina with the closing of Central Puerto early in the year.

Investor focus on environmental, social and governance ("ESG") factors continued to rise, thus making it a pertinent topic in our conversations with clients. While we hear from clients that their investors are still mostly concerned with corporate governance practices, more and more conversations are taking place – especially in certain industries – that address environmental issues, GHG emission, climate change, sustainability, supply chain and human rights issues. With assets under management ("AUM") focused on ESG factors still rising dramatically around the globe, we continued to update our clients on the various developments concerning this subject throughout the year.

MiFID II, a European regulation that was ratified in January 2018, is starting to have impact even outside of Europe. It is leading to a decrease in research and a desire of investors to schedule meetings directly with a company to avoid paying for company access. We have advised many of our clients on the impact of MiFID II and have helped them to find and meet investors in the post-MiFID II world.

Shareholder activism has grown outside of the U.S. and is now strong in Europe and growing in Asia. Our Strategic Shareholder Advisory Group has provided guidance to clients to have the right strategies in place to be prepared for and/or have the right response to an activist attack.

The Citi DR IR Advisory team has addressed all these subjects along with various others that are relevant to IR officers in the many events we organized globally throughout 2018.

Looking towards 2019, we see a healthy pipeline of IPOs aiming to come to market to tap the strong investor demand for non-U.S. equities. Trade war tensions and other geopolitical uncertainties, however, may present challenges to the market conditions and might create headwinds to issuers seeking to access the U.S. market. International investment in non-U.S. equities stood at a record \$1.0 trillion in Q3 2018 (up from the same point in 2017) – we believe that this number will go even higher in 2019.

Looking at the growth in our fixed income portfolio, we are confident that investors will continue to demand access to international debt instruments through GDNs as we continue to open new markets.

The Citi Depository Receipt Services team looks forward to continuing to provide issuers, investors and intermediaries with cross-border capital markets solutions in the coming year. We hope you find valuable insights in our year-end 2018 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

“**D**espite the market volatility, we continued to see investors embrace the depositary receipt instrument as a preferred means to gain access to international equity securities.”

Scott Pollak

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




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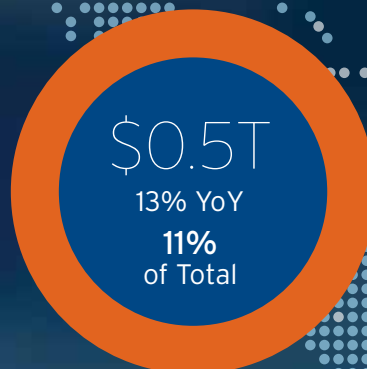

REGIONAL TRENDS


INTERNATIONAL INVESTING TRENDS

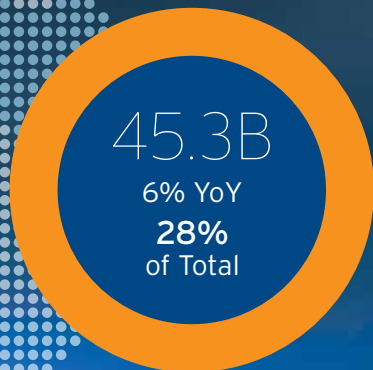

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Global DR Liquidity

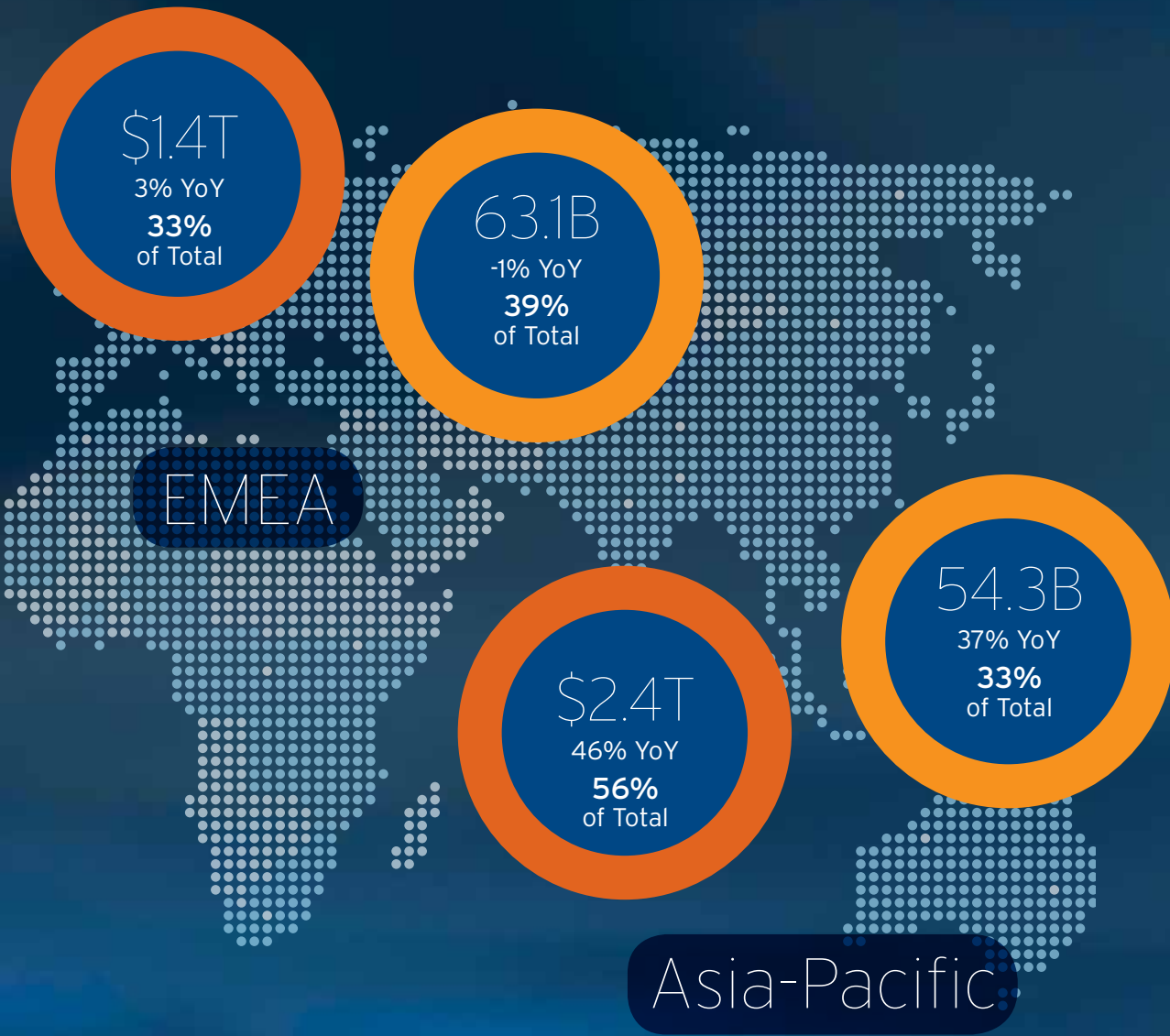
- DR TRADING VALUE
- DR TRADING VOLUME



LATAM



TOTAL: \$4.3T in DR Trading Value
162.7B in DR Trading Volume



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Global DR Liquidity (cont.)

Most Liquid DR Exchanges

DR Liquidity Highlights

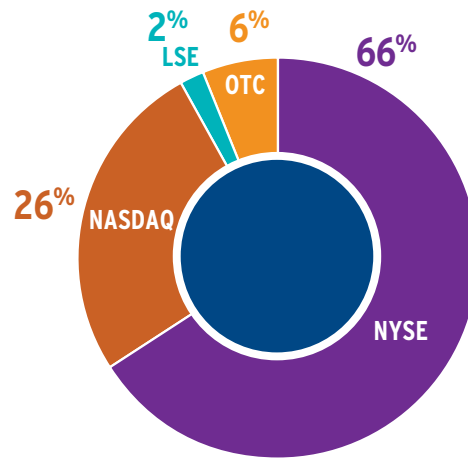
Trading Value

- Up **25%** from 2017 primarily due to increases in DR trading value on NYSE
- **56%** of total from Asia-Pacific
- **33%** of total from EMEA
- **11%** of total from LATAM

Trading Volume

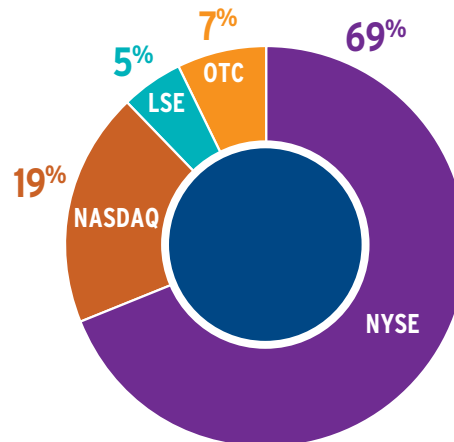
- Up **11%** from 2017 primarily due to increase in DR trading volume on NYSE and NASDAQ
- **33%** of total from Asia-Pacific
- **39%** of total from EMEA
- **28%** of total from LATAM

DR Trading Value¹



Total DR Value: \$4.3T

DR Trading Volume¹



Total DR Volume: 162.7B DRs Traded

Top Ten Most Liquid DR Programs

By Trading Value¹

Issuer	Country	Exchange	2018 Value (USD Billions)
Alibaba Group Holding Ltd	China	NYSE	\$895.8
Baidu Inc	China	NASDAQ	\$188.1
JD.com Inc	China	NASDAQ	\$136.0
Petroleo Brasileiro SA	Brazil	NYSE	\$105.1
Royal Dutch Shell plc	UK	NYSE	\$92.1
Taiwan Semiconductor	Taiwan	NYSE	\$81.4
iQIYI Inc	China	NASDAQ	\$81.2
Vale SA	Brazil	NYSE	\$76.8
BP plc	UK	NYSE	\$70.6
NetEase Inc	China	NASDAQ	\$70.1

By Trading Volume¹

Issuer	Country	Exchange	2018 Volume (Millions)
Petroleo Brasileiro SA	Brazil	NYSE	8,385.1
Ambev SA	Brazil	NYSE	6,581.2
Vale SA	Brazil	NYSE	5,612.2
Alibaba Group Holding Ltd	China	NYSE	5,124.4
Itau Unibanco Holding SA	Brazil	NYSE	4,833.8
JD.com Inc	China	NASDAQ	4,086.9
Nokia OYJ	Finland	NYSE	4,074.6
Randgold Resources Ltd	UK	NASDAQ	3,514.2
Teva Pharmaceutical Industries Ltd	Israel	NYSE	3,184.8
Banco Bradesco SA	Brazil	NYSE	3,170.9

Source: Bloomberg and Depository Data Interchange.

¹ Data as of December 31, 2018.



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Global DR Capital Raisings

DR Capital Raisings Highlights

- Total DR capital raised up **18%** versus 2017
- DR IPO capital raisings up **31%** to **\$12.2 billion** in 2018
- DR follow-on capital raising down **1%** to **\$6.2 billion** in 2018
- **\$16.4 billion** in ADR capital raised
- **\$2.0 billion** in GDR capital raised
- **35** issuers completed IPOs by way of the JOBS Act

GLOBAL



Total Capital Raisings

\$18.4B

Year-over-Year Change

18%

of Capital Raisings

73

Year-over-Year Change

12%

EMEA



Total Capital Raisings

\$3.7B

Year-over-Year Change

-18%

of Capital Raisings

29

Year-over-Year Change

4%

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
\$14.1B

Year-over-Year Change

101% ↑

of Capital Raisings

42

Year-over-Year Change

45% ↑

LATAM



Total Capital Raisings
\$0.6B

Year-over-Year Change

-85% ↓

of Capital Raisings

2

Year-over-Year Change

-75% ↓



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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)
iQIYI, Inc.	China	Internet	\$2,250
<i>Pinduoduo Inc.</i>	China	Internet	\$1,626
Tencent Music	China	Software	\$1,066
<i>Nio Inc</i>	China	Auto Manufacturers	\$1,002
Kakao Corp.*	South Korea	Internet	\$1,000
Taiwan Cement Corporation*	Taiwan	Building Materials	\$549
<i>Bilibili Inc.</i>	China	Software	\$483
JSC NAC Kazatomprom*	Kazakhstan	Mining	\$449
Studio City International Holdings Limited	China	Entertainment	\$359
<i>Central Puerto, S.A.*</i>	Argentina	Electric	\$299
<i>Morphosys AG</i>	Germany	Biotechnology	\$239
<i>Orchard Therapeutics plc*</i>	UK	Biotechnology	\$225
<i>UXIN</i>	China	Internet	\$225
<i>HUYA Inc.</i>	China	Software	\$207
<i>OneSmart International Education Group Ltd.</i>	China	Commercial Services	\$179
<i>Autolus Therapeutics plc*</i>	UK	Biotechnology	\$173
<i>Sunlands</i>	China	Internet	\$150
<i>Endava plc*</i>	UK	Computers	\$146
<i>Greentree Hospitality Group</i>	China	Lodging	\$143
<i>Puxin Limited</i>	China	Commercial Services	\$141
<i>Opera Limited</i>	Norway	Internet	\$115

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, 2018.

² Industry as defined by Bloomberg.

Issuer	Country	Industry ²	USD Value (in Millions)
<i>Huami Corporation</i>	China	Retail	\$110
<i>X Financial</i>	China	Diversified Finan Serv	\$105
<i>Viomi Technology Co., Ltd</i>	China	Household Products/ Wares	\$103
<i>111, Inc.</i>	China	Internet	\$100
<i>Qutoutiao Inc</i>	China	Software	\$97
<i>Aurora Mobile Limited</i>	China	Software	\$77
<i>LAIX Inc</i>	China	Software	\$72
<i>Mogu Inc.</i>	China	Internet	\$67
<i>Niu Technologies*</i>	China	Auto Manufacturers	\$63
<i>CooTek (Cayman), Inc.</i>	China	Software	\$52
<i>360 Finance</i>	China	Diversified Finan Serv	\$51
<i>Weidai Ltd.*</i>	China	Diversified Finan Serv	\$50
<i>CNFinance Holdings Ltd.</i>	China	Diversified Finan Serv	\$49
<i>Cango Inc.*</i>	China	Commercial Services	\$47
<i>Pintec</i>	China	Internet	\$44
<i>Aslan Pharmaceuticals Limited</i>	Taiwan	Biotechnology	\$42
<i>Taiwan Liposome Company, Ltd</i>	Taiwan	Biotechnology	\$22
<i>TuanChe</i>	China	Internet	\$20
<i>Biofrontera AG</i>	Germany	Biotechnology	\$13
<i>Tiziana Life Sciences Plc</i>	UK	Pharmaceuticals	\$4
Grand Total			\$12,213



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Global DR Capital Raisings (cont.)

DR Follow-On Offerings^{1, 2}

Issuer	Country	Industry ²	South Korea
HDFC Bank Limited	India	Banks	\$1,820
<i>BeiGene, Ltd.*</i>	China	Biotechnology	\$800
<i>GW Pharmaceuticals plc*</i>	UK	Pharmaceuticals	\$345
<i>Galapagos NV*</i>	Belgium	Pharmaceuticals	\$345
Azul S.A.*	Brazil	Airlines	\$313
<i>argenx</i>	Netherlands	Biotechnology	\$301
<i>GDS Holdings Ltd.</i>	China	Telecommunications	\$292
Amarin Corp. plc*	UK	Biotechnology	\$270
<i>Ascendis Pharma A/S</i>	Denmark	Pharmaceuticals	\$259
Collectis S.A.*	France	Biotechnology	\$191
<i>Talend SA</i>	France	Software	\$190
<i>Bright Scholar</i>	China	Commercial Services	\$190
<i>Zai Lab Limited*</i>	China	Biotechnology	\$150
Daqo New Energy	China	Chemicals	\$110
<i>RISE Education Cayman Ltd.</i>	China	Commercial Services	\$103
<i>Adaptimmune Therapeutics plc*</i>	UK	Biotechnology	\$100
<i>Nightstar Therapeutics PLC*</i>	UK	Biotechnology	\$83
JinkoSolar Holding	China	Energy-Alternate Sources	\$75
<i>DBV Technologies S.A.*</i>	France	Pharmaceuticals	\$68
<i>RedHill Biopharma</i>	Israel	Pharmaceuticals	\$45
<i>Materialise</i>	Belgium	Software	\$39

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, 2018.

² Industry as defined by Bloomberg.

Issuer	Country	Industry ²	South Korea
Sequans Communications SA	France	Semiconductors	\$20
<i>Celyad S.A.*</i>	Belgium	Biotechnology	\$15
<i>voxeljet AG*</i>	Germany	Office/Business Equip	\$12
<i>Nano Dimension Ltd.</i>	Israel	Computers	\$12
Ambow Education Holding Inc.*	China	Commercial Services	\$9
<i>SAFE-T Group Limited</i>	Israel	Computers	\$7
<i>Medigus Ltd</i>	Israel	Healthcare Products	\$2
Grand Total			\$6,166



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Global DR Trends by Sector

Global DR Liquidity by Industry

DR Trading Value (in USD Billions)¹

INDUSTRY		2018 VALUE	CHANGE VS. 2017	
	Internet	\$1,662	55%	
	Oil & Gas	\$381	33%	
	Pharmaceuticals	\$271	-5%	
	Banks	\$265	8%	
	Software	\$201	13%	
	Mining	\$169	-3%	
	Semiconductors	\$168	26%	
	Telecommunications	\$160	20%	
	Iron/Steel	\$125	-13%	
	Beverages	\$113	10%	

DR Trading Volume (in Billions)¹

INDUSTRY		2018 VOLUME	CHANGE VS. 2017	
	Internet	25	55%	
	Banks	24	5%	
	Oil & Gas	17	6%	
	Telecommunications	13	19%	
	Mining	11	-6%	
	Iron/Steel	10	-24%	
	Pharmaceuticals	8	-8%	
	Beverages	7	26%	
	Software	5	87%	
	Semiconductors	5	-11%	

¹ Represents the top ten industries as defined by Bloomberg.

Global DR Capital Raisings by Industry

DR IPOs (in USD Millions)¹

INDUSTRY		2018 VALUE
	Internet	\$6,401
	Software	\$2,938
	Mining	\$2,219
	Diversified Finan Serv	\$1,782
	Building Materials	\$1,566
	Biotechnology	\$1,557
	Auto Manufacturers	\$1,065
	Commercial Services	\$999
	Transportation	\$518
	Semiconductors	\$469



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

INDUSTRY		2018 VALUE
	Banks	\$4,202
	Biotechnology	\$2,487
	Pharmaceuticals	\$2,305
	Airlines	\$640
	Internet	\$635
	Telecommunications	\$554
	Software	\$447
	Lodging	\$337
	Commercial Services	\$302
	Electronics	\$236

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

2. DR Access Products

“**G**lobal institutional investors continued to utilize GDNs in 2018 to obtain convenient access to local debt securities issued in emerging markets.”

Justin Karol

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



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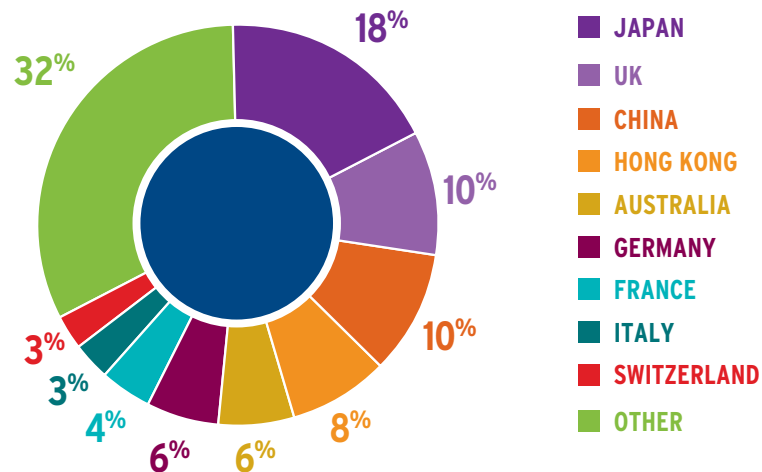
Un-sponsored DR Programs

Un-sponsored DR Highlights

Trading Volume

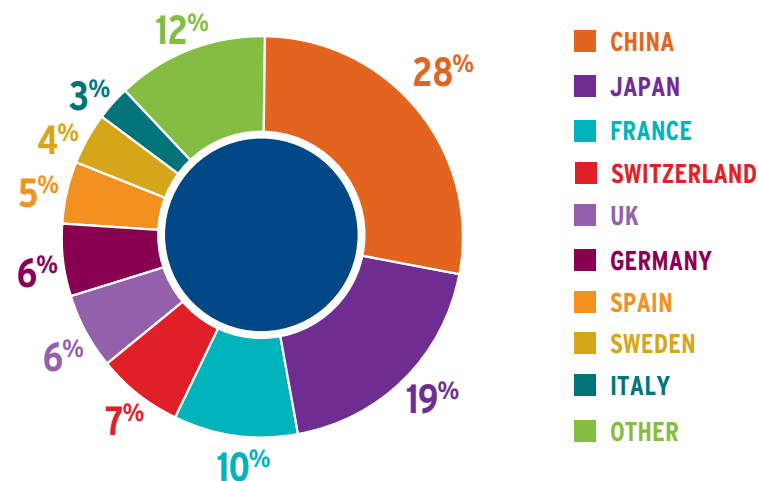
- Up **72%** from 2017 primarily driven by higher trading volume from Chinese DR programs
- **28%** of total from internet companies
- **8%** of total from banks
- **5%** of total from retail companies

Number of DR Programs¹



Total DR Program Count: 1,497

DR Trading Volume¹



Total DR Volume: 5.1B 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	2018 Volume (DR Millions)
Tencent Holdings Ltd	China	1,272.5
FANUC Corp	Japan	146.6
Auto Trader Group plc	UK	114.0
CK Hutchison Holdings Ltd	Hong Kong	104.7
Glencore plc	Switzerland	101.6
Nintendo Co Ltd	Japan	98.0
Cie Financiere Richemont SA	Switzerland	96.6
SoftBank Group Corp	Japan	91.3
Daimler AG	Germany	78.3
CaixaBank SA	Spain	73.8

Source: Bloomberg and Depository Data Interchange.

Top Ten Volume Movers

Issuer	Country	Volume (DR Millions)		
		2017	2018	Increase/ (Decrease) ²
Tencent Holdings Ltd	China	436	1,272	836
FANUC Corp	Japan	45	147	102
Auto Trader Group plc	UK	15	114	99
Glencore plc	Switzerland	39	102	63
CK Hutchison Holdings Ltd	Hong Kong	54	105	50
Daimler AG	Germany	33	78	46
UniCredit SpA	Italy	5	50	45
Cie Financiere Richemont SA	Switzerland	56	97	41
Cie de Saint-Gobain	France	9	48	39
Mazda Motor Corp	Japan	51	18	(34)

Source: Bloomberg and Depository Data Interchange.

¹ Data as of December 31, 2018.

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 DRs, GDNs replicate the characteristics (interest rate, maturity date, credit quality) 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 line with our predictions, we saw mounting investor focus on environmental, social and governance performance of companies, with governance being the most influential factor when making investment decisions. MiFID II and shareholder activism continue to be topics we discuss with our clients globally. We expect those subjects to continue to dominate in 2019.”

Beate Melten

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



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Asia-Pacific Snapshot

Asia-Pacific Highlights

Capital Raisings

- **\$14.1 billion** in DR capital raised
- **75%** via IPOs
- **25%** via follow-ons offerings

Trading Volume

- Up **37%** YoY to **54.3 billion**
- Unsponsored trading volume up **83%** to **2.7B**

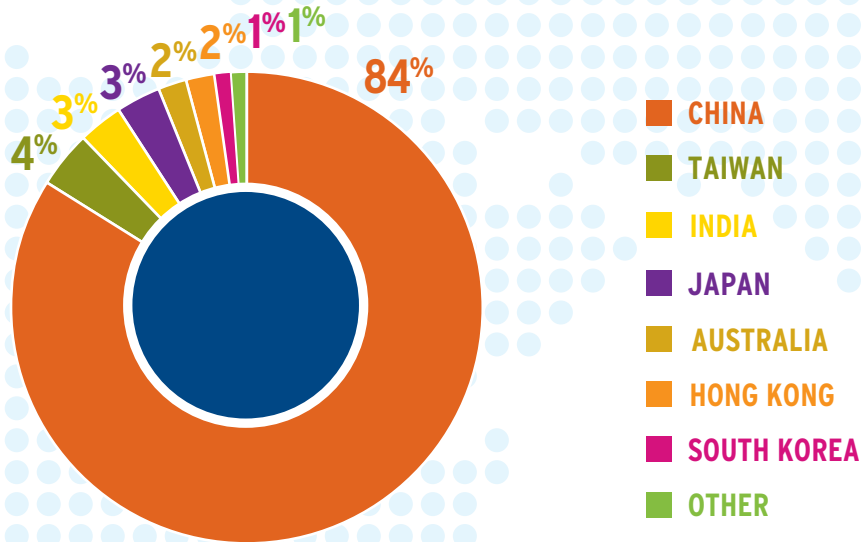
New DR Programs

- **52** new sponsored programs
- **17** on NYSE
- **17** on NASDAQ
- **6** on OTC
- **12** GDR programs including listings on Singapore Stock Exchange, London Stock Exchange and Luxembourg Stock Exchange

“2018 was a very active year for the Asia-Pacific DR market. More than 30 Chinese companies listed ADR in the U.S.; companies from South Korea as well as Taiwan accessed the markets by offering GDRs. In addition to the traditional DR products, we introduced GDNs and saw the conceptualization of CDRs and GDRs through the Shanghai-London Connect. For 2019, we anticipate choppy markets due to expected global market volatility.”

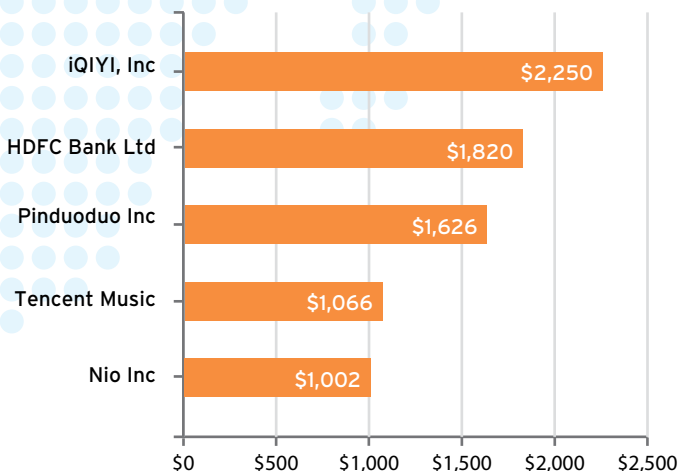
Valentina Chuang
Head of Asia-Pacific

DR Trading Value¹

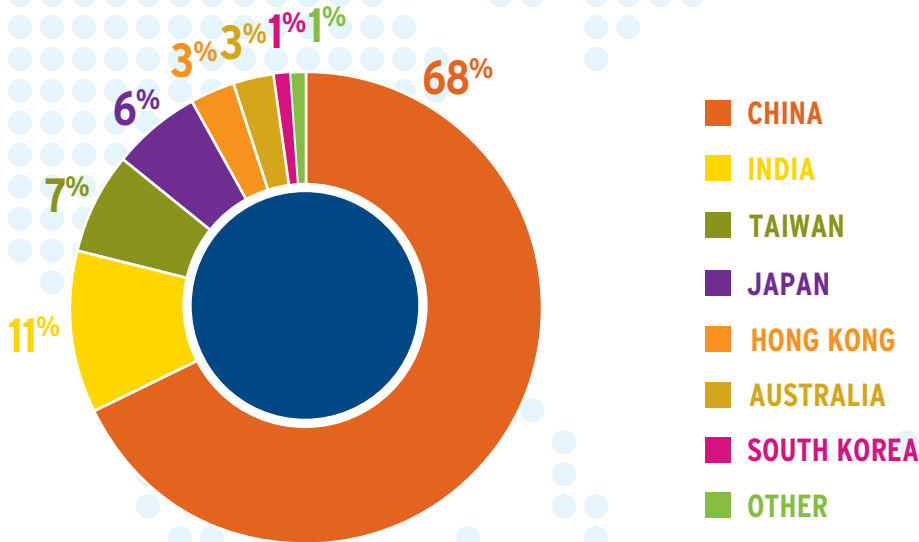


Total DR Trading Value: \$2.4T

Top Five DR Capital Raisings¹ (in USD Millions)



DR Trading Volume¹



Total DR Trading Volume: 54.3B

Top Five Most Liquid DR Programs¹

Issuer	Country	Exchange	2018 Volume (DR Millions)
Alibaba Group Holding Ltd	China	NYSE	5,124.4
JD.com Inc	China	NASDAQ	4,086.9
iQIYI Inc	China	NASDAQ	2,827.1
Infosys Ltd	India	NYSE	2,826.0
Vipshop Holdings Ltd	China	NYSE	2,313.5

Source: Bloomberg.



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ABOUT CITI DEPOSITORY RECEIPT SERVICES

¹ Data as of December 31, 2018.

EMEA Highlights

Capital Raisings

- **\$3.7 billion** in DR capital raised
- **37%** via IPOs
- **63%** via follow-ons offerings

Trading Volume

- Down **1%** from 2017 to **63.1 billion**
- Unsponsored trading volume up **60%** to **2.4 billion**

New DR Programs

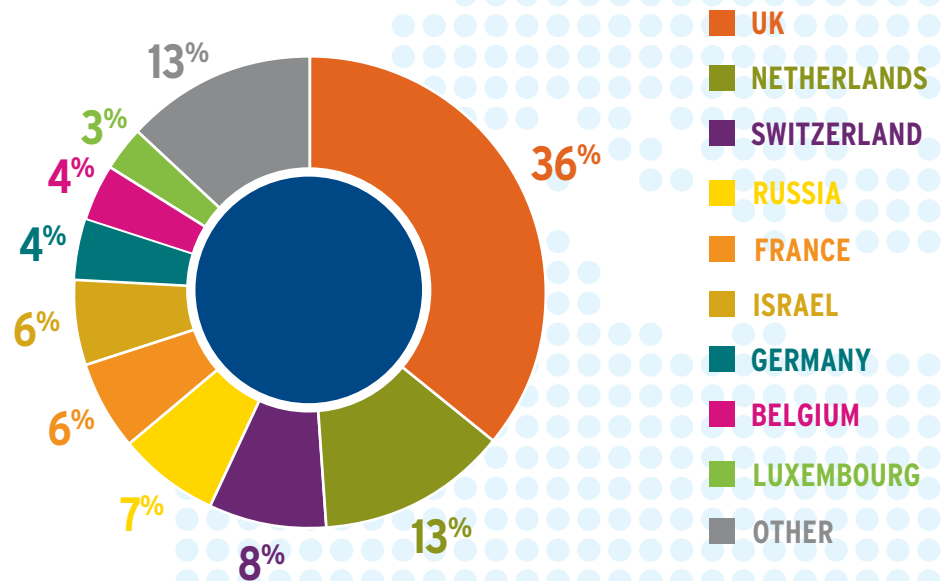
- **22** new sponsored programs
- **7** on NASDAQ
- **1** on NYSE
- **7** on OTC
- **7** GDR programs including listings on London Stock Exchange

“Despite the uncertainties created by trade wars and Brexit, EMEA maintained reasonable DR IPO activity driven by Western European issuers taking advantage of the JOBS Act to list their securities in the U.S. as well as new offerings by the world’s largest natural uranium producer, Kazatomprom, in London.”

Ayden Dagg
Head of EMEA

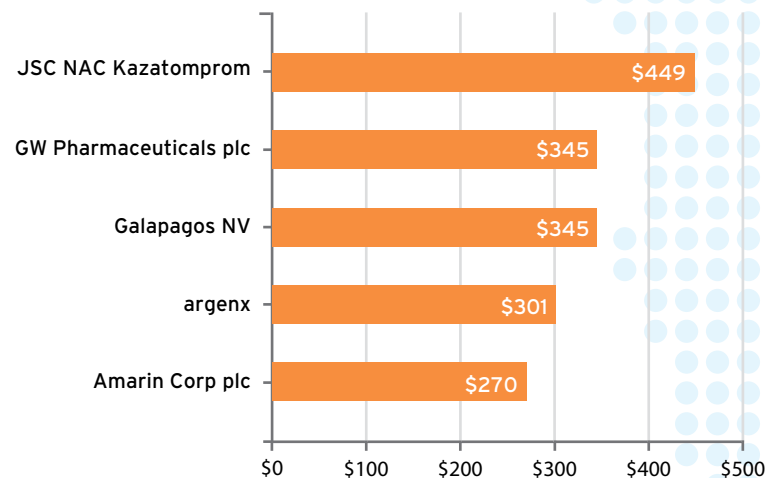
Europe, Middle East & Africa (EMEA) Snapshot

DR Trading Value¹

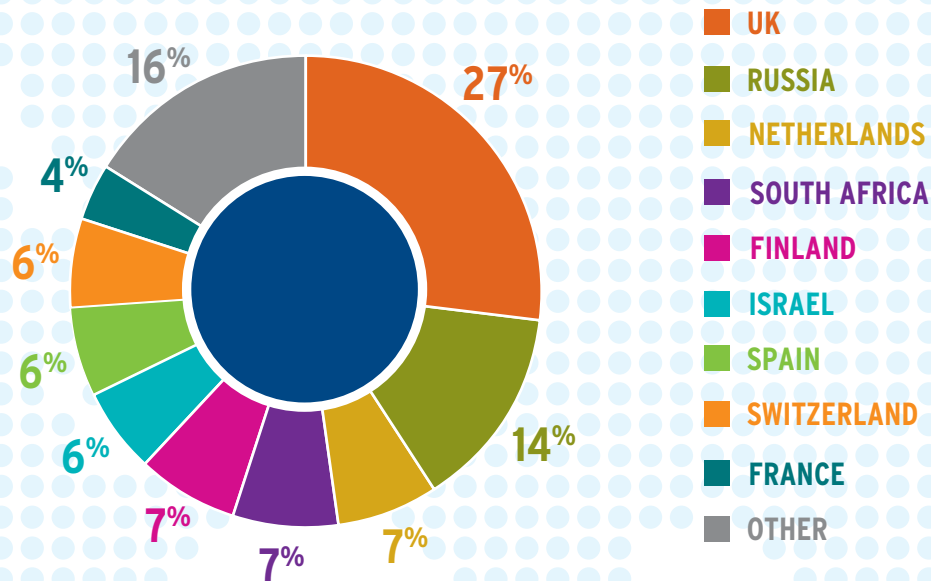


Total DR Trading Value: \$1.4T

Top Five DR Capital Raisings¹ (in USD Millions)



DR Trading Volume¹



Total DR Trading Volume: 63.1B

Top Five Most Liquid DR Programs¹

Issuer	Country	Exchange	2018 Volume (DR Millions)
Nokia OYJ	Finland	NYSE	4,074.6
Randgold Resources Ltd	UK	NASDAQ	3,514.2
Teva Pharmaceutical Industries Ltd	Israel	NYSE	3,184.8
Gazprom PJSC	Russia	LSE	2,325.9
Banco Santander SA	Spain	NYSE	1,955.3

Source: Bloomberg.



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¹ Data as of December 31, 2018.

LATAM Highlights

Capital Raisings

- **\$0.6 billion** in DR capital raised
- **49%** via IPOs
- **51%** via follow-ons offerings

Trading Volume

- Up **6%** from 2017 to **45.3 billion**

New DR Programs

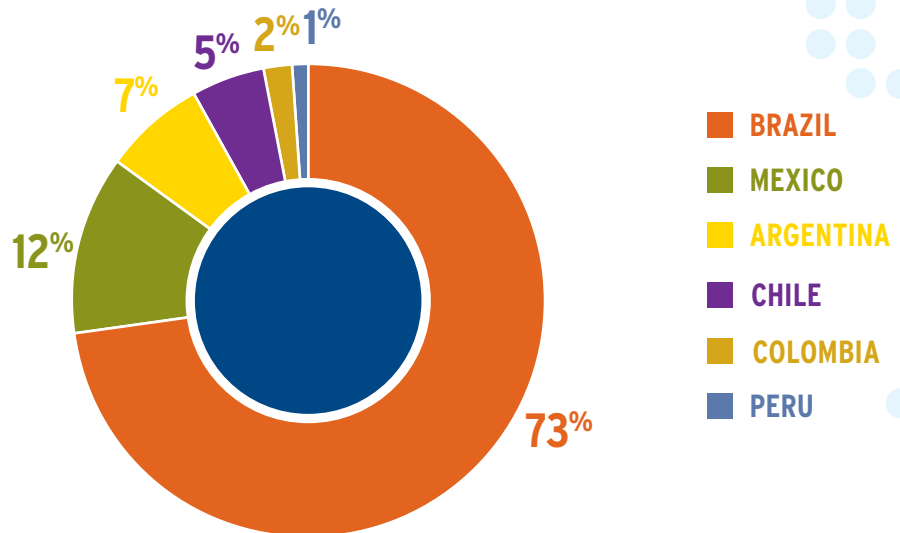
- **2** new sponsored programs
- **1** on NYSE
- **1** on OTC

“The equity capital markets in Latin America were challenging in 2018 due to a number of uncertainties around global macroeconomic themes and presidential elections in some of the largest countries in the region, leading to reduced IPO activity. There were, nevertheless, some positive trends including several large IPOs from Brazil. Looking forward, we expect to see this positive momentum carry forward into 2019 with a notable pick-up in market activity.”

Michael Morcom
Head of LATAM

Latin America (LATAM) Snapshot

DR Trading Value¹

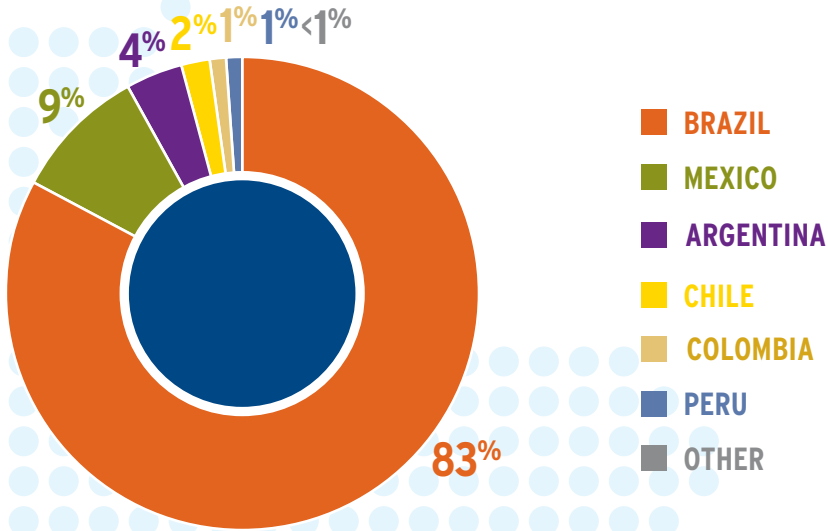


Total DR Trading Value: \$0.5T

Top DR Capital Raisings¹ (in USD Millions)



DR Trading Volume¹



Total DR Trading Volume: 45.3B

Top Most Liquid DR Programs¹

Issuer	Country	Exchange	2018 Volume (DR Millions)
Petroleo Brasileiro SA	Brazil	NYSE	8,385.1
Ambev SA	Brazil	NYSE	6,581.2
Vale SA	Brazil	NYSE	5,612.2
Itau Unibanco Holding SA	Brazil	NYSE	4,833.8
Banco Bradesco SA	Brazil	NYSE	3,170.9

Source: Bloomberg.

¹ Data as of December 31, 2018.



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4. International Investing Trends

“**D**epositary receipts have facilitated the growth in cross-border investments and continue to be a dominant vehicle for allowing issuers to tap into the growing pool of international investors.”

Ganesh Sarpotdar

**Global Head of Account Management
Citi Depositary 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 2018
- In terms of investor type, Investment Managers (Mutual Funds) and Hedge Funds accounted for roughly **83%** of the DR value held
- In terms of investment style, growth, value and GARP funds accounted for roughly **69%** of the DR value held

North America

DR VALUE HELD
\$762.3B
71% of Total

LATAM

DR VALUE HELD
\$5.9B
1% of Total

\$1,071.3B
Total Value of DRs Held

Ownership



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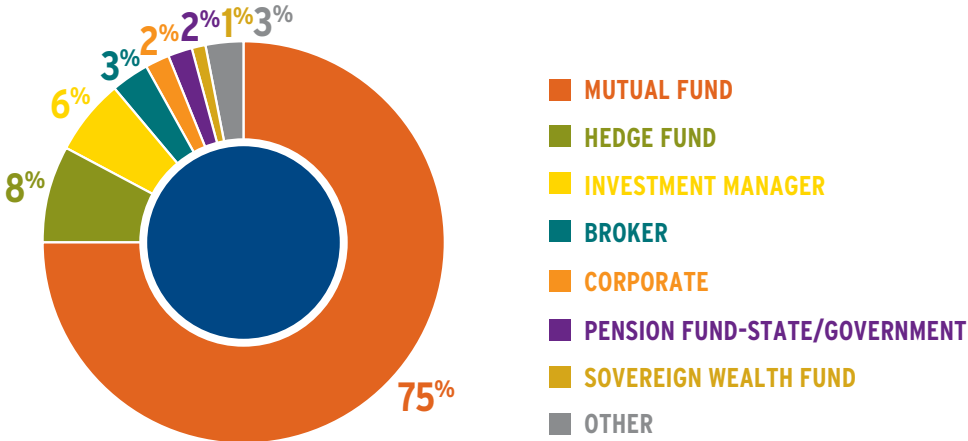
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Institutional DR Ownership (cont.)

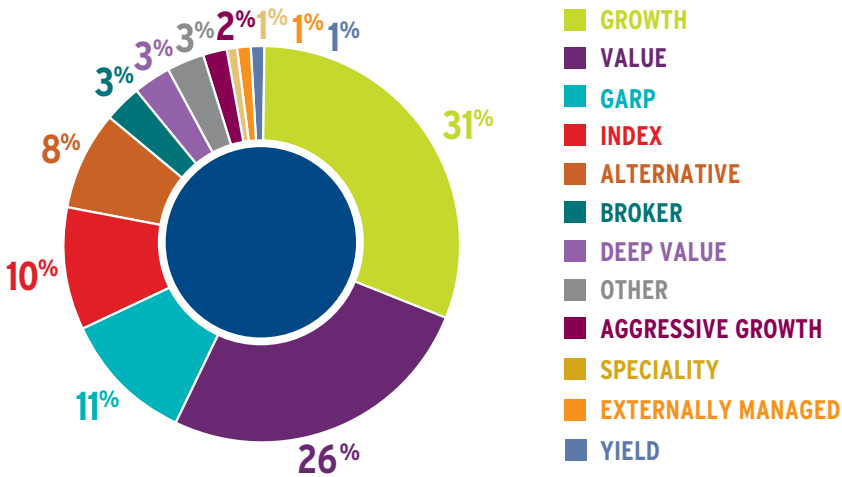
Top Institutional Holders of DRs

By Investor Type¹



Total Value of DRs Held: \$1,071.3B

By Investment Style^{1,2}



Total Value of DRs Held: \$1,071.3B

¹ Investment Style and Investor Type as defined by Ipreo. Data as of Q3 2018.

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 Group	Value	Mutual Fund	\$55.7
BlackRock	Index	Mutual Fund	\$44.4
Fidelity Investments	Growth	Mutual Fund	\$28.2
Fisher Investments	GARP	Mutual Fund	\$27.6
Vanguard	Index	Mutual Fund	\$25.2
T. Rowe Price	Growth	Mutual Fund	\$23.2
Ballie Gifford	Growth	Mutual Fund	\$22.0
Dodge & Cox	Value	Mutual Fund	\$17.6
Wellington Management	Value	Mutual Fund	\$15.6
State Street Global Advisors	Index	Mutual Fund	\$15.4



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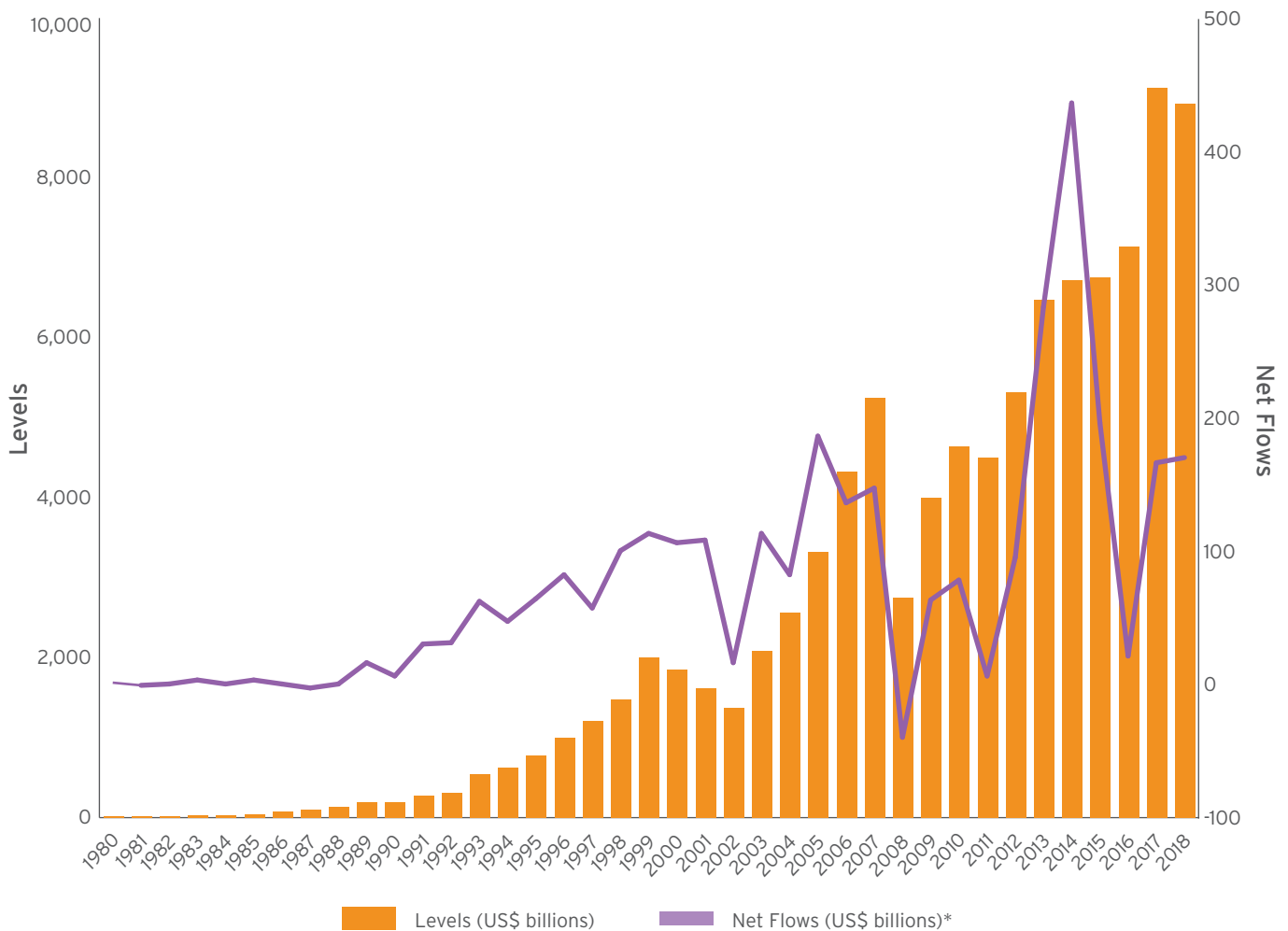
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International Investing

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 2018 was \$8.9 trillion, up 3% from the Q3 2017 level of \$8.7 trillion.



*Positive flows represent inflows and negative flows represent outflows.

Trends

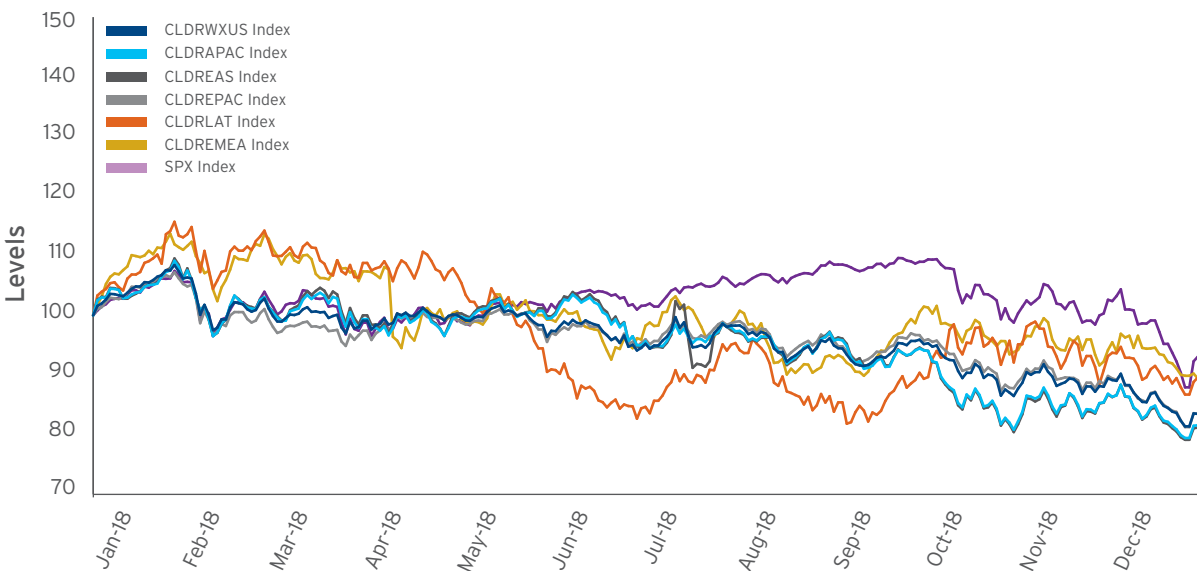
Citi Liquid DR Indices

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 2018 Performance^{1,2}



Source: Bloomberg.

¹ Data as of December 31, 2018.

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; CLDREPA: EuroPac Liquid DR Index; CLDREMEA: EMEA Liquid DR Index; SPX: S&P 500.



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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 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 help 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 extensive 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 2018.



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Investor Relations

Citi Depository 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 – developing 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 2018 three main subjects dominated in client updates and meetings:

1. ESG – specifically how IR teams should talk to investors about their ESG efforts, how to target “ESG investors” and how to make sense of the various ESG rating agencies
2. Ongoing changes in the investor landscape and their impact on investor relations: The shift to passive shareholder activism and MiFID II
3. Establishing a strong narrative for investors and delivering a consistent message as well as a strategic approach to IR activities with a focus on improvement

Citi Depository Receipt Services Global Client Events – 2018

Q1 2018	<ul style="list-style-type: none">• <i>IR Magazine</i> U.S. Awards, New York
Q2 2018	<ul style="list-style-type: none">• IR Academy Buenos Aires• NIRI Annual Conference, Las Vegas• Think Tank and <i>IR Magazine</i> Awards, London• IR Academy Seoul• IR Roundtable with NASDAQ OMX, Stockholm• Brazil Investor Relations Institute Conference, São Paulo• IR Roundtable, Hong Kong
Q3 2018	<ul style="list-style-type: none">• IR Academy Taipei• IR Roundtables, Mumbai• Ipreo by IHS Markit IR Wisdom Summit – Hong Kong, Beijing and Tokyo• Middle East Investor Relations Association Annual Conference, Dubai• Flagship IR Academy New York
Q4 2018	<ul style="list-style-type: none">• IR Academy for Asian Issuers, Busan• IR Roundtables – Taipei, Hsinchu and Seoul• IR University and Shareholder University, London• <i>IR Magazine</i> Greater China Conference & Awards, Hong Kong• IR Seminar, Moscow• Client Breakfast with the Buy-Side, London

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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 help increase liquidity. For further information, visit citi.com/dr.

Past performance is not indicative of future results.

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