

THE YEAR AHEAD: THE DEPOSITARY RECEIPTS MARKET IN 2021

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Hi. I'm Chris Kearns, the CEO of BNY Mellon's Depositary Receipt business.

This year, we're taking a different approach to sharing our perspectives on the DR market, we're focusing on the year ahead. First, 2021 has already seen some notable IPOs of companies listing via depositary receipts. Companies around the world are looking to broaden their investor base and access investment capital outside of their market of domicile. The market is building on its strength. Last year, a total of \$51.8 billion dollars was raised through 143 DR offerings.

Why is this happening?

Yes, we certainly encountered some market challenges earlier in 2020 and a high degree of volatility in many trading venues, including the U. S. Despite this, the critical role that depositary receipts play in global markets was proven with institutional DR assets under management increasing 23% year on year to \$1.3 trillion dollars. As we look ahead to the active domiciles for both ADR and GDR listings, we're keeping an eye on a number of promising growth regions.

China, of course, demonstrates significant strength with rapidly maturing companies looking to garner investment from outside domestic markets.

Brazil has opened the door to unsponsored programs, enhancing its global footprint.

The Baltics, along with the rest of Central and Eastern Europe, are seeing companies begin to reach the scale where depositary receipts programs make sense as a way to secure investors.

Other countries also seem to offer promise with a combination of strong growth stories and the potential for IPOs.

We're especially curious to watch the developments in Sub-Saharan Africa, India and Southeast Asia.

Covid-19 continues to have a human impact with personal challenges and hardships. We're optimistic about the potential for widespread vaccinations and efforts to resume something like the way of life before the pandemic.

That said, I'm so proud of the way our teams have maintained the highest levels of client service through the pandemic, delivering on our business continuity plans with excellence, responsiveness and extending their reach with a range of technologies for collaboration and for servicing depositary receipts programs.

This is a testament to BNY Mellon's role as a leading depositary bank. We remain optimistic and committed to bringing the most value to our clients depositary receipts programs.

Again, thank you and enjoy the report.

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