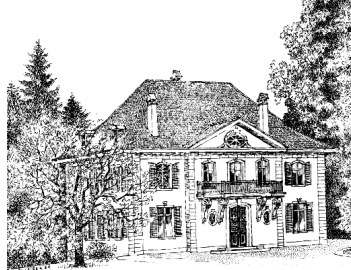




BONDPARTNERS SA

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Lausanne, January 15th, 2018
CP/c-presse.doc/cp



PRESS RELEASE (Nr 123) (translation, French text prevails)

As for 2017, BPL's preliminary figures are higher than those of the previous year with the operating result having increased by 47% due to the overall good performance of stock markets and to the euro appreciation, while bond trading behaved less actively.

The net profit has thus risen 32% to CHF 3.4m. Both the balance-sheet structure and solvency ratios remained extremely consistent, shareholders' equity reaching CHF 86m, more than 65% of total assets.

For the fiscal year ended 31st December 2017, **Bondpartners SA**, which celebrated its 45th anniversary, hereby announces a preliminary and non-audited individual income of CHF +3.45m versus CHF +2.62m in 2016. The gross ordinary income, excluding currency exchange gains or losses, reached CHF 12.3m (vs CHF 11.2m in 2016) and the operating result amounted to CHF 5.55m (vs CHF 3.8m in 2016).

While turnover and margins have backed off somewhat in a persistently unfavourable financial environment for bonds, the continuing increase in equity markets had a positive impact on BPL's holdings of securities whereas the Swiss franc went through a certain weakening during the second half of the year.

Again ordinary results mostly progressed (net income from trading transactions: +22% at CHF 9.5m, net result from interest income: +6% at CHF 1.9m, however net results from commissions: -19.5% at CHF 0.65m); for its part, the result from currencies and forex totalled a gain of CHF +0.67m vs a limited loss of CHF -0.17m in 2016. Operating expenses were up 3.5% with a total of CHF 6.9m, whereas total charges, excluding taxes, grew more moderately by 1.5%.

The statutory balance sheet remained steady at CHF 132.2m, with current assets making up 93% of the latter (namely, liquidity with first grade institutions: 3%, due from banks: 26%, receivables arising from trading operations: 13%, due from customers and non-banking companies: 7%, securities portfolio: 43% of the balance-sheet total). With regard to liabilities, commitments arising from trading operations reached CHF 11.4m (-48% as a result of the decrease of pending and overlapping transactions) and amounts due to customers and non-banking institutions came to CHF 32.5m (+26%). The reserves for general banking risks improved at CHF 43.3m (+3%, with constitution of provisions amounting to CHF 1.16m) and the shareholders' equity gained 3.5% to CHF 86m.



The parent company's solvency ratio (Tier One/CET1, according to Basel III principles) is relatively stable at nearly 47%. Eligible and required capitals respectively amount to about CHF 75.4m and CHF 12.9m, giving a net free equity of CHF 62.5m according to preliminary figures. These data on capital adequacy continue, as in the past, to be widely above regulatory requirements.

Financial markets have benefited in 2017 from an unusually synchronized world economic growth, accompanied by low inflation, abundant liquidity under the benevolent leadership of central banks, acceleration of corporate profits and by a historically low level of volatility.

The geopolitical concerns were relegated to second place and the non-occurrence of the large risks perceived quarter after quarter has pushed more aggressive assets, primarily stocks and lower quality credit to unprecedented levels. Lastly, the year under review will be remembered for massive inflows toward crypto-currencies, which movements have sparked imagination. In fact a pleasant surprise which may not be repeated, at least in such an extent. Valuations are high in a context of much stricter tightening of monetary policy and volatility may make a strong comeback, as well as political and economic tensions which will probably re-emerge. Therefore some caution is necessary with regard to assets management. On the other hand, possible future disruptions and corrections (the long-awaited yield trend reversal will play for this reason a key role) should favour BPL's transactional activity from the perspective of margins and volumes, all this in a legal framework that became more complex following the European directive's entry into force "MIFID II".

About Bondpartners: BPL is a Swiss financial company founded in 1972 in Lausanne, whose business hinges on three main axes: the inter-professional dealing of securities, the market making and market keeping, and the execution of orders issued by independent managers. It is authorized and supervised by the Swiss Financial Market Supervisory Authority (FINMA) as a dealer in securities.

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