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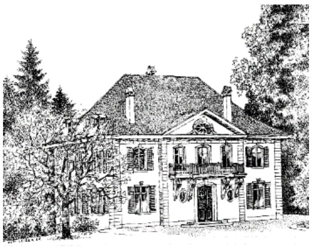

PRESS RELEASE (No 124) *(translation, French text prevails)*

Bondpartners SA, Lausanne: audited accounts as of 31.12.17

Significant upturns of operating result and net profit which amounted respectively to CHF 5.4 million and CHF 2.6 million. A dividend increased to 40% will be proposed at the upcoming AGM.

Activities

The financial year under review enabled us to generate a significant rise in operating profit, as trading income was favorably influenced by the good performances of the stock markets. While the bond trading margins and volumes have somewhat fallen, the valuation of securities held for own-account appreciated and the amelioration of the euro against our national currency had a beneficial effect on the results from currencies and forex.

The balance sheet remains unchanged, both in terms of its amount and that of its structure, with current assets still representing a very large part of its total. Our equity capital strengthened, while the solvency ratios remained high, as in the past, and exceed several times the requirements of the supervisory authority (see details below).

Expenses remained contained despite the continuation of the renovation program for the premises and facilities. The development of the IT system progressed as has the prospecting of customers and institutional counterparties.

The Company's bearer shares, listed on the BEKB's OTC-X electronic platform, rose by 15% in 2017 to reach CHF 870.-, volumes having notably increased.

Based on the results recorded, BPL's Board of Directors will be proposing to the shareholders the payment of a gross ordinary dividend of 40% for the year under review, 14% higher than in the previous financial year.

Financial statements as of 31.12.2017, presented according to accounting standards and guidelines applicable to banks and securities dealers (BAG).

BALANCE SHEET

The statutory balance sheet total remained extremely stable at CHF 132.2 million and its financial structure remained fundamentally sound with respect to the different ratios required as well as its composition; the current assets cover two and half times liabilities and the level of self-financing stands at more than fifteen times the share capital. As in the past, disclosed capital and reserves per share do still largely exceed the market valuation.

Turning to assets, first grade cash and liquid assets grew 11% to CHF 4 million, while sight and term deposits with banks retreated by 10% to a total of CHF 34.8 million as did receivables rising from trading operations with banking institutions which were down 30% at CHF 17.3 million. In contrast, customer receivables and, more particularly, those resulting from trading operations with non-banking counterparts advanced 174.5% at CHF 9.2 million, following the expansion of current open/overlapping transactions with this type of professional clients at the end of the accounting year. In this regard, total receivables reached CHF 61.2 million (-8%). Subsequently, concerning securities held for own account, the trading portfolio showed a significant increase of 9.5% at CHF 57.1 million thanks to the favourable development of stock markets, while financial investments and precious metals stayed unchanged at 0.5 million (own shares being excluded). Current assets amounted to CHF 123 million (also unchanged) representing 93% of the balance sheet, an extremely persistent percentage compared to the previous financial years, no matter how large the size of the balance sheet, while fixed assets, essentially consisting of two buildings owned by the Company (total land 4,625 m2), slightly declined at just above CHF 9.25 million (-1%).

Regarding liabilities, commitments with banks, derived from securities dealing, decreased significantly from CHF 21.7 million in 2016 to CHF 11.4 million at the end of the year under review, while total commitments from trading operations (pending transactions on the closing date, to be seen in parallel with receivables from aforesaid operations, giving a net negative balance of CHF 0.08 million) changed little at CHF 24.8 million (-3.5%). In terms of commitments to clients (current accounts at sight with a credit balance and trading with nonbanking correspondents) reached CHF 32.5 million (+26,5%) including other commitments (mortgages on the two aforementioned buildings) which stood unchanged at CHF 2.7 million. This year again, customer cash deposits at BPL, managed by external asset administrators, decreased by 14%. Reserves for general banking risks demonstrated once more some substantial robustness at CHF 43.3 million (+3%) when compared to the accumulated provisions and said reserves in 2015 and 2016. Accrued expenses and deferred income rose close to CHF 0.5 million largely due to the profit increase and consequently the surge in the tax burden. The other reserves, including the general statutory reserve and voluntary reserves experienced minor variations and amounted to CHF 36.8 million (+0.5%). The reserve for own shares (equity capital in the hands of the Company) appears negative and amounted to CHF 3.8 million (-3%). Thus, total liabilities equaled to CHF 46.1 million (-6.5%), an amount covered nearly two times by current assets. Total individual equity amounted to CHF 86 million (+3.5%) or 65% of the parent company balance sheet, a marginally higher percentage compared to previous financial year.

The prudential standards recommended by the Basel Committee are bountifully filled. Qualifying equity capital on an individual basis amounted to CHF 75.4 million against a capital requirement of CHF 12.9 million, leaving a surplus of CHF 62.5 million (+2%) and a coverage adequacy of almost six times the minimum required. The core solvency ratio (CET1) showed a balanced figure and stood at nearly 47%.

PROFIT AND LOSS ACCOUNT

The net profit published by the Company came to CHF +3.45 million (vs CHF +2.62 million in 2016), a 32% increase. Total ordinary income reached CHF 12.1 million (+7.5%), excluding currency exchange effects which had a positive impact of CHF +0.67 million (vs CHF -0.17 million for the previous year). The net trading income (in principle bond transactions and valuations linked to the financial investment portfolios) reached CHF 8.8 million (+14.5%), volumes having nevertheless somewhat decreased in the same way as for trading margins, in an unfavourable environment for debentures, while the improvement continued for stock markets with a positive effect on securities portfolios held for own account. On the other hand, the gross interest income before charges moved ahead 2.5% to CHF 2.1 million, in a rate environment which, generally, remained at historically low levels (except some signs from the USA), while coupons kept enduring unattractive returns among categories of issuers enjoying a better credit quality. The gross brokerage income declined by 18%, on a net basis, to reach CHF 0.9 million, reflecting some restrained temper among customers despite the good performance of stock markets. Interest and commission expenses, banking and settlement fees included, stood overall at CHF 0.5 million, down 16% (on a net basis also) over the previous financial year. Total operating costs rose 3.5% to CHF 6.9 million and are covered more than 12 times by shareholders' equity, as in previous years. The renovation program regarding premises and facilities has been successfully pursued as in 2016. The operative profit increased 44% and accordingly reached CHF 5.5 million (2016: CHF 3.8 million). A reserve constitution of CHF 1.16 million was charged to the income statement, whereas a constitution also occurred in 2016 for CHF 0.44 million. Lastly, the total amount of charges, after tax and impact of currency movement and excluding reserve changes, reached CHF 8.3 million (+0.5%), a figure which is covered almost 15 times by current assets.

Outlook

The significant correction that took place in the financial markets at the beginning of the year, whether it be equities, bonds or even exchange rates was, for some, a healthy readjustment, as a prelude to the continuing rise, in lower proportions however, the Goldilocks scenario having reached its limits. For others, long-time pessimists, this is the end of the bullish cycle, with several major issues threatening financial stability. In any case, volatility has recently exacerbated: inflation (or rather a faster acceleration than expected of its pattern) has again become a matter of concern widely talked about. The economic growth's robustness is fueling fears of a larger than scheduled monetary policy tightening. With equities at high valuation levels, a risk of widening spreads on corporate debt, or even the specter of a global deflation of the bond bubble and a renewed strengthening of our national currency, extra caution in the management of assets is therefore required for 2018.

On the geopolitical level too, the cauldron boils: the threat of worsening of political and economic clashes could reappear or at the least no longer be neglected; the situation in the Middle and Far East, Brexit-related negotiations and US mid-term elections, among other extreme risks, continue as a matter of fact to be a source on uncertainty.

Finally, possible future economic upheavals and new market plunges (the long-awaited trend reversal in yields will play a predominant role in this regard) should favor Bondpartners' transactional business in terms of margins and volumes, whereas the legal framework is becoming increasingly complex.

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. Its bearer shares are quoted on the Berner Kantonalbank's (BEKB) OTC-X market.

Statutory accounts as at 31.12.17/31.12.2016
(Audited Accounts according to rules BAG/FINMA)

Statutory income statement

	31.12.2017 Fr.	31.12.2016 Fr.
Income from trading operations	8.838.864,-	7.727.195,-
Results from currencies and forex	669.759,-	-168.183,-
Commission income from securities trading and investment activities	900.961,-	1.434.851,-
Net result from interest operations	1.903.089,-	1.797.155,-
Total operating expenses	-6.890.265,-	-6.653.361,-
Operating result	5.419.682,-	3.769.056,-
Extraordinary income	142.785,-	34.149,-
Extraordinary expenses	-0,-	- 0,-
Result of the period	3.453.919,-	2.616.928,-

Statutory balance sheet

	31.12.2017 Fr.	31.12.2016 Fr.
ASSETS		
Cash and amounts due from banks	55.980.671,-	66.793.710,-
Amounts due from customers and non-banks	9.255.913,-	3.371.997,-
Trading portfolios assets	57.118.300,-	52.164.195,-
Financial investments and precious metals	472.450,-	472.450,-
Participations	1.152.500,-	1.152.500,-
Tangible fixed assets	7.900.000,-	7.900.000,-
LIABILITIES		
Amounts due to banks	11.384.595,-	21.726.795,-
Amounts due in respect to customer deposits and due to non-banks	32.547.039,-	25.745.296,-
Accrued expenses and deferred income	2.036.253,-	1.515.000,-
Reserves for general banking risks	43.325.000,-	42.163.000,-
Own shares	-3.762.522,-	-3.880.732,-
Statutory capital reserve and voluntary retained earnings reserve	36.750.000,-	36.550.000,-
Total balance-sheet	132.190.666,-	132.372.345,-
Total current assets	122.929.900,-	123.047.164,-
Total shareholders' equity	86.055.614,-	83.070.225,-

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