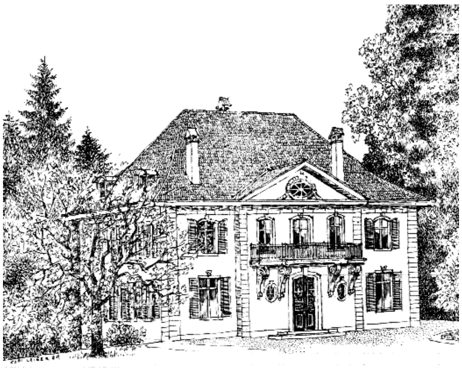
BONDPARTNERS SA
Avenue de l'Elysée 24
Case postale / CH-1001 Lausanne
Tél. 021 613 43 43 / Fax 021 617 97 15
Web: www.bpl-bondpartners.ch

Lausanne, July 23, 2018
CP/comm-presse.docx/cp



PRESS RELEASE (No 126)

(Free translation)

Bondpartners SA, Lausanne: Slight loss for the first semester, securities portfolio and currency valuations weighed on earnings.

- ***Decline in both operating and net income***
- ***Stability in the balance sheet structure and assets***
- ***Robust capital base and solvency ratios unchanged***

BPL realized a net loss of CHF 0,26m for the first six months of the year under review, compared with a net profit of 1,35m at the end of June 2017. The strengthening of the Swiss Franc against the main currencies, as well as the negative evolution of the stock portfolios (the Swiss stock market bringing up the rear), have significantly impaired income from trading operations whose margins and volumes have also experienced some slowdown on a backdrop of increasing geopolitical risks and the accentuating volatility. Operating expenses were contained. Shareholders' equity, after distribution, remained nearly unchanged (-0.5%) at CHF 82,6m.

The first half of 2018 was characterized, albeit modestly, by a decline in bond volumes traded, accompanied, this year again, by a weakening of transactional margins, attributable to the wait-and-see attitude of the operators rendered more nervous as to the quality of issuers and to the expectations of changes in interest rates. Furthermore, equity and foreign exchange markets performed poorly, with the valuation of cash and securities positions having being negative four months out of six.

The half-year under review proved to be disappointing after a highly applauded previous exercise. Although the IMF predicted strong global growth in 2018 and 2019, the expected acceleration may very well turn out to be somewhat optimistic given Donald Trump's trade power struggle with his Chinese and European partners, amongst others. The other geopolitical developments have not really helped the situation and tensions are still very present, whether it is the Middle East, the Korean Peninsula or even Europe with its existential challenge, all of this in a deleterious environment, poisoning the discussions on migration flows and environmental management. Uncertainties have regained the upper hand and markets, for the most part, have not appreciated it.

(NB. Comparative figures June 2018/June 2017)
For the first half of 2018, the parent company posted a net accounting loss of CHF 0,26m (vs a net gain of CHF 1,34m for the first 6 months of 2017).

Still comparing to the first half of 2017, the statutory balance sheet total advanced by almost 4% to CHF 140,3m, primarily due to the increase in pending/overlapping transactions at the end of June.

The balance sheet was composed by 93% of current assets (a remarkably stable figure compared with previous periods), namely cash and bank receivables (CHF 62,6m -6.5%), customer and non-bank receivables (CHF 13,7m +163%) and investment/trading portfolios excluding own shares (CHF 54m +1.5%). Total liabilities amounted to CHF 57,8 million (+10%). Total commitments, irrespective of their maturity, are covered twice and a half times by current assets (CHF 130,7m), a ratio equally stable in comparison to prior periods.

With regard to individual shareholders' equity, its total amounted to CHF 82,6m (-0.5%) and represents 59% of the total balance sheet after deduction of reserve for own shares. Thereupon, the reserves for general banking risks reached CHF 42,3 million (-0.3%) and other reserves amounted to CHF 37,75 million (+3%). Open reserves and capital -per share- (considering entire capital stock) totaled therefore CHF 1,500.-. It should be noted that the latest price paid on BEKB's OTC-X electronic platform was CHF 952.-

The capital adequacy of basic individual shareholders' equity (solvability ratio/CET1) reached 48%, a percentage in line with previous figures. Required capital is covered nearly 6 times by eligible capital.

In terms of profit and loss accounts, net income from interest differential business amounted to CHF 1,15m (+10%) and net income from commission business came to CHF 0,37m (+6.5%). Income on securities transactions (CHF +2,3m) including evaluations on equities held for own-account (CHF -1m), fell by 74% to CHF 1,1m, while foreign exchange results showed a more pronounced negative outcome of CHF -1m (vs a loss of CHF -0,64m for the first half of 2017). Finally, operating expenses remained under control at CHF 3,1m (-5%).

After having ended the year 2017 on a positive note, the stock markets have more or less experienced a consolidation, or even a correction, according to indices and segments, since February. In addition, the monetary normalization is beginning to weigh on certain bond markets and the environment is prompting a more cautious approach to high yield, risk aversion having made a notable return while liquidity remains and is still a subject of debate and concern. Moreover, our national currency, which is until now at a high level, experienced some unwelcomed reinforcements during the instability phases that have been amplified in line with the political risks. Finally, commodity prices, with oil in the lead, as well as the evolution of inflation could also encounter some ups and downs as trade tensions continue.

A possible upsurge of market versatility and increase of geopolitical precariousness make it difficult, once more, for any trend forecasting during the rest of the financial year. It would nevertheless be presumptuous to foretell, at this stage, that the year under review could match the performance posted in 2017, a year that was particularly profitable for BPL.

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 BEKB's OTC-X electronic platform.

Statutory half-year end yearly accounts as at 30.06.18/31.12.17/30.06.17
(Comparative and non-audited accounts according to rules BAG/FINMA)

Statutory income statement

	30.06.2018 CHF	30.06.2017 CHF
Income from trading operations	1.104.253,-	4.221.014,-
Results from currencies and forex	-1.004.276,-	-636.479,-
Net result from commission business and services	373.335,-	350.855,-
Net interest income	1.145.317,-	1.044.817,-
Total operating expenses	-3.133.388,-	-3.292.931,-
Operating result	-1.353.033,-	1.658.789,-
Extraordinary income	1.105.000,-	-78.500,-
Extraordinary expenses	-390,-	0,-
Net result of the period	-265.217,-	1.345.192,-

Statutory balance sheet

	30.06.2018 CHF	31.12.2017 CHF
ASSETS		
Cash and amounts due from banks	62.611.962,-	55.980.671,-
Amounts due from customers and non-banks	13.671.858,-	9.255.913,-
Trading portfolios assets	53.986.765,-	57.118.300,-
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 (trading operations)	18.197.120,-	11.384.595,-
Amounts due in respect to customer deposits and due to non-banks (trading)	38.475.041,-	32.547.039,-
Accrued expenses and deferred income	947.000,-	2.036.253,-
Reserves for general banking risks	42.220.000,-	43.325.000,-
Share capital	5.500.000,-	5.500.000,-
Own shares	-3.861.596,-	-3.762.522,-
Statutory capital reserve and voluntary retained earnings reserve	37.750.000,-	36.750.000,-
Total balance-sheet	140.346.095,-	132.190.666,-
Total current assets	130.743.803,-	122.929.900,-
Total shareholders' equity	82.584.884,-	86.055.614,-
Total liabilities	57.761.211,-	46.135.052,-
Total eligible capital (CET1)	75.433.000,-	75.449.000,-
Total required capital	12.572.000,-	12.945.000,-

Contacts:
Christian Plomb / Olivier Perroud, members of the management board
Tel. (++41) 021 613 43 43
E-mail : christian.plomb@bpl-bondpartners.ch / olivier.perroud@bpl-bondpartners.ch
Web: www.bpl-bondpartners.ch

BONDPARTNERS SA