BONDPARTNERS SA

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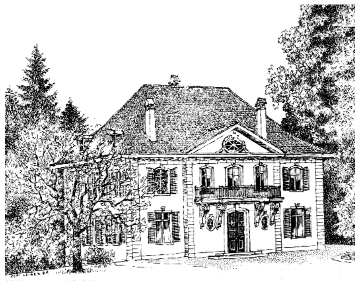

PRESS RELEASE (No 130) *(translation, French text prevails)*

Bondpartners SA: audited accounts as of 31.12.19

It was a satisfactory financial year for the Lausanne based securities house which published a net profit of CHF 3.1 million vs a loss of CHF 0.5m in 2018. The turnover has increased and investment positions expanded in line with stockmarket good performances, whereas results from currencies and forex have reached a less negative amount than previous year, the Swiss franc having still pursued its strengthening. The solvency ratio (CET1) grew to nearly 56%. A dividend of 25% will be proposed to the shareholders.

Environment and activities in 2019

After a financial year punctuated with the economic and commercial slowdown, the American protectionism, the depths of Brexit, reignited geopolitical uncertainties, social revolts in all directions and record-breaking heat-waves, all conditions seem to have been met for a replication of the stockmarket shake-ups experienced in 2018. But it was without considering the support of central banks, which helped stock indices chase all-time highs.
Finally and most importantly, by the end of the year under review, the first cases of an atypical pneumonia in Wuhan were documented, the prelude of a corona-viral pandemic, more contagious than 2003 SRAS, triggering drastic containment measures, carrying economic and social consequences, of which the devastating magnitude was of course not predictable at the time.

Bondpartners undoubtedly benefited from the stockmarket upturn, its investment positions having posted a significant improvement after a 2018 financial year that was, at the very least, disappointing. Moreover, trading turnover has significantly increased, the intermediation of structured products having more than compensated the decline in trade of traditional debentures, whose liquidity and anemic yields have discouraged investors. However, margins have retreated in line with the persistent weakness of interest rates. As for currencies, the increase of hedging operations allowed to further limit the impact of a stronger Swiss franc. Finally, all this caused an upward shift of the net profit and shareholders' equity which enabled us to consider this financial year as a satisfactory one.

The balance sheet remained unchanged in terms of its structure, with current assets still representing a very large part of its total. The equity capital, which already exceeded several times the requirements of the supervisory authorities, has progressed as have solvency and adequacy ratios.

Expenses remained contained despite the continuation of the renovation program for the premises and facilities. The development of the IT and trading systems have been pursued, as has the prospecting of professional clientele and institutional counterparties. On another note, BPL has subscribed to second round of Swisstruth's capital increase. This start-up benefits from an exclusive blockchain technology which genuinely offers a great potential in the field of digital security and integrity of registers.

The Company's bearer shares, listed on the BEKB's OTC-X electronic platform, declined by 8% in 2019 to reach CHF 830.-. The high and low reached respectively CHF 920,- and 830,-. It will be proposed to the shareholders to convert bearer shares into registered shares at the upcoming annual general meeting.

In the light of the Company's results and despite the caution that require the developments of the sanitary, economic and social crisis, which broke out during the first quarter of 2020, BPL's Board of Directors will be proposing to the shareholders the enlarged payment of a gross ordinary dividend of 25% for the year under review (10% for the previous financial year).

Financial statements as of 31.12.2019, presented according to accounting standards and guidelines applicable to banks and securities houses (BAG).

BALANCE SHEET

The statutory balance sheet total grew 15.5% to CHF 135 million, a rise principally attributable to the widening of assets and liabilities resulting from pending/overlapping transactions at the end of the year, as well as the increase of cash at bank and higher valuation of proprietary holdings in equities.

Turning to assets, cash combined with sight and term deposits reached CHF 38.5 million (+14.5%), while customer receivables and those arising from trading operations with non-banking counterparts grew 153.5% to CHF 20 million (an increase primarily driven by outstanding operations). In this regard, total receivables from trading with banks stood for their part at CHF 13.7m (-13%).

Subsequently, concerning securities held for own account, the trading portfolio improved 6.5% to reach CHF 52.3 million following the stock markets' positive performances; financial investments and precious metals remained unchanged at CHF 0.5m (own shares being excluded). Current assets amounted to CHF 125 million (+17%) representing 93% of the balance sheet, a persistent percentage compared to the previous financial years, with no respect to the size of the latter, while fixed assets, essentially consisting of two buildings owned by the Company (total land 4,625 m2), remained more or less the same at CHF 9.8m (-1%).

Regarding liabilities, commitments with banks amounted to CHF 19 million (consisting of CHF 2.5 million related to mortgages on the two aforementioned buildings and CHF 16.5 million with regard to open trading transactions with banking counterparts); total commitments deriving from securities dealing (outstanding transactions on the closing date, to be seen in parallel with receivables from aforesaid operations, giving a net negative balance of CHF 0.01m), for its part, reached CHF 31.1 million (+61%). In terms of commitments to clients (current accounts at sight with a credit balance and trading with nonbanking correspondents) amounted to CHF 31.4 million (+23.5%). Accrued expenses and deferred income recorded some expansion (+48%) due to a heavier tax burden linked to a better net profit, rising from CHF 0.8m to CHF 1.2m. Consequently, total liabilities increased by 37% to CHF 51.6 million, an amount which is nearly covered two times and a half by current assets, also a fairly stable proportion, compared to prior periods.

Reserves for general banking risks went up by 4% to CHF 40.7million, after the reconstitution of provisions. The other reserves, including the general statutory reserve and voluntary reserves experienced no variation and amounted to CHF 37.75 million. The reserve for own shares (equity capital in the hands of the Company) appears negative and amounted to CHF -3.9 million (+1.5%). Total individual equity reached CHF 83.3 million (+5%) or 62% of the parent company balance sheet, a marginally lower percentage compared to the previous financial year (68%), in light of the expansion of the aforesaid balance sheet. The prudential standards recommended by the Basel Committee are therefore bountifully filled. Qualifying equity capital on an individual basis amounted to CHF 74.8 million against a regulatory capital requirement of CHF 10.7 million, leaving a surplus of CHF 64 million and a coverage adequacy of almost seven times the minimum required. The core solvency ratio (CET1) reached 56%, a percentage also in line with the previous year (50%).

PROFIT AND LOSS ACCOUNT

The net profit published by the Company amounted to CHF +3.1 million (vs a loss of CHF -0.5 million in 2018). Total gross ordinary income reached CHF 7.8 million (unchanged), excluding currency exchange effects which had a less negative impact of CHF -0.7 million (vs CHF -2.2m for the previous year) and excluding valuation results of securities portfolio which posted an improvement of CHF 5.1 million, whereas it had showed a regression of CHF -3.4m by the end of December 2018. The net trading income (arbitrage as well as dealing) reached CHF 4.7 million (+6%), volumes having increased by 20% in a still substantially volatile environment which remained unfavorable to bond dealing (in contrast with structured instrument intermediation which saw a strong development during the year under review); margins for their part softened close to 15%. On the other hand, the gross interest and dividend income, before expenses, retreated 6% to CHF 1.95 million, in a rate background which remained at historically low levels (or even negative) where returns deemed unattractive, as risks were expected to increase. The gross income from commissions and services declined by 27%, to reach CHF 0.9 million, reflecting a customer investment activity which was significantly below the peak performances of stock markets. Interest and commission expenses (banking and settlement fees included, as well as retrocessions), stood overall at CHF 0.95 million, down 15% over the previous financial year. Total operating costs remained stable at CHF 6.2 million and are covered more than 13 times by shareholders' equity, as in the previous years. Following the good results realized by equity portfolio held for own account which favorably influenced returns, the operative result greatly improved to CHF +5.1 million (2018: CHF -5.2m). Therefore, the reserves for general banking risks have been replenished for an amount of CHF 1.6 million, whereas a dissolution in favor of the income statement occurred in 2018 for CHF 4.2 million. Lastly, total expenses, after tax and without impact of currency or holdings movement and excluding reserve changes, reached CHF 7.7 million (+4.5%), a figure which is covered almost 16 times by current assets.

Outlook

The Covid-19 pandemic has caused significant effects in financial markets and on Company's assets and business activities during the first quarter of 2020. Compared to the same period a year ago, turnover figures have strongly risen, nostro share positions have suffered from severe market corrections (while those in bonds declined to a lesser extent). In addition, the notable consolidation of the Swiss franc has had a profound effect on the results on currencies, the foreign exchange risk coverage having nevertheless played its restraining role.

The Company has initiated a number of urgent measures so as to protect the health of its employees and ensure the sustainability of its activities within our business continuity plan, this in the best possible way, while rigorously respecting the authorities' instructions. BPL has and will intensely pursue the monitoring of operations and the tracking of implications caused by this crisis, as long as the situation will require. Hence, the risk supervision has been strengthened accordingly.

It is extremely difficult to map out perspectives for the current financial year or to assess the potential impact (both in terms of its breadth and duration) that this extraordinary event may have on 2020 accounts. The fact remains that Bondpartners benefited from an equity capital largely exceeding the regulatory requirements, its cautious approach having foreseen a planning of own funds that included such a disaster scenario, without upsetting the whole activity.

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 securities house. Its bearer shares are quoted on BEKB's OTC-X electronic platform.

Statutory accounts as at 31.12.19/31.12.2018
(Audited Accounts according to rules BAG/FINMA)

Statutory income statement

	31.12.2019 Fr.	31.12.2018 Fr.
Income from trading operations	9.613.169,-	545.917,-
Results from currencies and forex	-661.130,-	-2.201.562,-
Commission income from securities trading and investment activities	611.638,-	820.404,-
Net result from interest operations	1.834.008,-	1.848.128,-
Total operating expenses	-6.206.692,-	-6.222.089,-
Operating result	5.086.507,-	-5.067.212,-
Extraordinary income	39.396,-	482.915,-
Extraordinary expenses	-0,-	- 0,-
Result of the period	3.106.403,-	-514.703,-

Statutory balance sheet

	31.12.2019 Fr.	31.12.2018 Fr.
ASSETS		
Cash and amounts due from banks	52.259.536,-	49.411.182,-
Amounts due from customers and non-banks	20.074.114,-	7.921.152,-
Trading portfolios assets	52.309.195,-	49.206.060,-
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	18.950.968,-	11.406.486,-
Amounts due in respect to customer deposits and due to non-banks	31.396.603,-	25.437.812,-
Accrued expenses and deferred income	1.163.000,-	784.815,-
Reserves for general banking risks	40.715.000,-	39.136.000,-
Own shares	-3.945.143,-	-3.885.162,-
Statutory capital reserve and voluntary retained earnings reserve	37.750.000,-	37.750.000,-
Total balance-sheet	134.933.258,-	116.965.956,-
Total current assets	125.115.295,-	107.074.191,-
Total shareholders' equity	83.352.915,-	79.227.832,-

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