BONDPARTNERS SA

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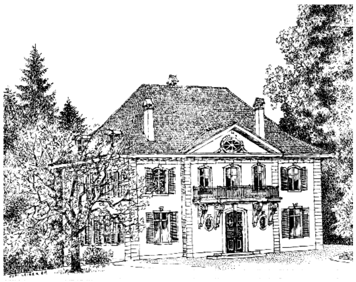

PRESS RELEASE (No 133) *(translation, French text prevails)*

Bondpartners SA: audited accounts as of 31.12.20

Unreserved confirmation of the unaudited figures previously announced in January 2021: the net profit amounted to CHF 1.5 million and the total balance sheet reached CHF 123.7 million (with current assets of CHF 114 million and shareholders' equity of CHF 84 million). The simplified leverage ratio strengthened to 63%, a higher percentage when compared to previous reportings. While volumes handled, as well as income from trading operations significantly increased, the valuation of positions held for own account and the effects of exchange rate fluctuations resulting from the reinforcement of Swiss franc have nonetheless reduced the operational result.
Taking into account the exceptional circumstances which prevailed, BPL remained resilient to the pandemic and economic crisis. –An unchanged dividend of 25% will be proposed to the shareholders.-

Background and activities in 2020

The year 2020 was irremediably marked by the economic crisis triggered by the onset of Covid-19 in almost every country of the world. The recession, on an unprecedented scale has led to unparalleled monetary, budgetary and fiscal policy measures to mitigate the damage suffered, while at the same time favouring the recovery. The consequences are serious and the figures linked to the economic turnaround, job losses and indebtedness, among others, gave the analysts a headache. Clearly, many sectors of activity have experienced and will still face shocks of a particular magnitude.

After a brutal fall, most stock markets recovered, largely because of the rapid and accommodative actions taken by the central banks which have provided massive liquidity support, a high percentage of which was swallowed up by the financial markets. The economic recession, political alternation in Washington, the Sino-American trade war, the United Kingdom's withdrawal from the EU and of course Covid-19 seemingly failed to unsettle investors' mood on a radical basis, as their appetite to risk recovered from early spring.

The bond markets reported an equally spectacular performance in an environment where rates remained extremely low, if not negative. The Fed did not hesitate to intervene in response to the serious disruption experienced in the first quarter. Similarly, the ECB intensified its quantitative easing programme. As far as spreads and yields are concerned, they widened substantially at the height of the crisis, followed by some return to normality as issuers took advantage of the opportunity to restructure their debt at low cost and extend its time to maturity.

With regard to derivative instruments, both leveraged and hedging products, benefited from an environment typified by high volatility and low interest rates.

On the currency front, 2020 was equally rich in events. Despite intervention by the SNB, which had never been so high, our national currency continued to appreciate against most of its peers. Moreover, the decline in the greenback's value was the main trend that emerged after the relaxation of pressure on the international markets. The euro for its part recorded a small loss after following a reverse trajectory. The pound sterling was highly volatile, "*Brexit oblige".*

For Bondpartners, the pandemic crisis had a dichotomous impact. Trade, which is the Company's core activity, rose steeply while conversely our assets consisting of equities, bonds and cash in various currencies, fell back sharply during the periods of great volatility, especially in March and April. However, the picture at the end of the year is less clear-cut than might have been supposed; rising stock market prices limited our losses (although unrealized), while securities trading consolidated its growth. As a result, the profit was certainly less substantial than in 2019 (one of the best stock market years of the past two decades). The balance sheet structure and shareholders' equity for their part did not vary and our business remains as robust as ever.

Expenses remained contained despite the continuation of our renovation program of the premises and facilities. The developments of our computing and trading tool have been pursued. Regardless of health constraints, the constancy of operations was guaranteed, respecting our high quality standards and continuous risk monitoring.

The Company's ordinary registered share, traded on the BCBE's OTC-X electronic platform, ended the year under review at CHF 825.- a modest decline of 0.6%, with extremes at CHF 910.- and 800.-, in increased volumes.

Even with the caution necessitated by uncertainties associated with the healthcare, economic and social crisis that we have been experiencing since early 2020, the Board will propose the payment of a gross ordinary dividend of 25%, an unchanged allocation, bearing in mind the fact that our equity remains stable and well above the requirements imposed by the regulatory provisions.

Financial statements as of 31.12.2020, presented according to accounting standards and guidelines applicable to banks and securities houses (BAG)

BALANCE SHEET

The statutory balance sheet total declined 8.5% to CHF 123.7 million, a reduction principally attributable to the shrinking of assets and liabilities resulting from pending/overlapping transactions at the end of the year; the increase of cash at bank offset the downturn in valuation of securities held for own account.

Turning to assets, cash combined with sight and term deposits rose to CHF 42 million (+9%), while customer receivables and those arising from trading operations with non-banking counterparts declined 60% to CHF 8.1 million (a decrease primarily driven by the falling of outstanding operations). In this regard, total receivables from trading with banks exclusively stood for their part at CHF 12.9m (-6%).

Subsequently, concerning proprietary positions, the trading portfolio scaled back 3% to reach CHF 50.6 million, following the stock markets' highly volatile performances and the reductions made in bond holdings; financial investments and precious metals remained unchanged at CHF 0.5 million (own shares being excluded). Current assets amounted to CHF 114 million (-9%) representing 92% of the balance sheet, a persistent percentage compared to the previous financial years, irrespective of 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 9.7m (-1.5%).

Regarding liabilities, commitments with banks decreased 83% to CHF 3.2 million (consisting of CHF 2.5 million related to mortgages on the two aforementioned buildings and CHF 0.75 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 positive balance of CHF 1 million), for its part, receded to CHF 18 million (-42%).

In terms of commitments to clients (current accounts at sight with a credit balance and trading with nonbanking correspondents) extended to CHF 35.35 million (+12.5%). Accrued expenses and deferred income recorded some contraction (-10%) to CHF 1 million, driven by a lower provision for income taxes. Consequently, total liabilities shrunk by 23% to CHF 39.75 million, an amount which is nearly covered three times by current assets, also a fairly stable proportion, compared to prior periods.

Reserves for general banking risks went up by 1% to CHF 41.1 million, after the reconstitution of provisions. The other reserves, including the general statutory reserve and voluntary reserves experienced no variation and remained at CHF 37.75 million. The reserve for own shares (equity capital in the hands of the Company) appears negative and came to CHF -4 million (+1.5%). Total individual equity (before distributions) reached CHF 84 million (+0.75%) or 68% of the parent company balance sheet, a higher percentage compared to the previous financial year (62%), in light of the marginal reduction 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 77 million against a regulatory capital requirement of CHF 9.8 million, leaving a surplus of CHF 67 million and a coverage adequacy of almost eight times the minimum required. The simplified leverage ratio rose to 63%, a higher percentage also when compared to the Basel III ratio of previous year (56%).

PROFIT AND LOSS ACCOUNT

The net profit published by the Company amounted to CHF +1.5 million (vs a gain of CHF +3.1 million in 2019). Total gross ordinary income reached CHF 10.4 million (+33.5%), excluding currency exchange effects which had a negative impact of CHF -1.5 million (vs CHF -0.7 million for the previous year) and excluding valuation results of securities portfolio which posted a more modest improvement of CHF 0.7 million, while it had showed a solid progression of CHF 5.1m by the end of December 2019.

The net trading income (arbitrage as well as dealing) stood at CHF 7.2 million (+53%), volumes having increased by 15.5% in a still, extremely volatile environment which has persistently remained unfavorable to bond dealing (in contrast with structured instrument intermediation which again saw a strong development during the year under review); margins for their part strengthened close to 30%.

On the other hand, the gross interest and dividend income, before expenses, retreated 18% to CHF 1.6 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 increased by 5.5% to CHF 1 million. Interest and commission expenses (banking and settlement fees included, as well as retrocessions), stood overall at CHF 1.2 million, up 32% over the previous financial year, reflecting the increase in turnover. Total operating costs were lower at CHF 6 million (-4%) and are covered almost 14 times by shareholders' equity, as in the previous years. Following the less noticeable (even though unexpected) performance realized by equity portfolio held for own account and as a result of the behavior of our national currency which has reinforced its safe-haven status, the operative result fell down to CHF +2.1 million (2019: CHF +5.1 million). Accordingly, reserves for general banking risks have been replenished for an amount of CHF 0.4 million (vs +1.6 million).

Lastly, total expenses, after tax and without impact of currency or holdings movement and excluding reserve changes, reached CHF 7.5 million (-2.5%), a figure which is covered almost 15 times by current assets, also a steady multiple over the last several years.

Outlook

As for 2021, the outlook is complicated, to say the least. The impacts of the pandemic are by far not yet quantified. Furthermore the social and economic consequences are difficult to determine. Resilience and reactivity will remain the core feature of business management.

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 31.12.20/31.12.2019
(Audited Accounts according to rules BAG/FINMA)

Statutory income statement

	31.12.2020 Fr.	31.12.2019 Fr.
Income from trading operations	7.592.596,-	9.613.169,-
Results from currencies and forex	-1.540.662,-	-661.130,-
Commission income from securities trading and investment activities	716.416,-	611.638,-
Net result from interest operations	1.599.892,-	1.834.008,-
Total operating expenses	-5.969.509,-	-6.206.692,-
Operating result	2.131.743,-	5.086.507,-
Extraordinary income	30.656,-	39.396,-
Extraordinary expenses	0,-	0,-
Result of the period	1.515.903,-	3.106.403,-

Statutory balance sheet

	31.12.2020 Fr.	31.12.2019 Fr.
ASSETS		
Cash and amounts due from banks	54.855.458,-	52.259.536,--
Amounts due from customers and non-banks	8.074.142,-	20.074.114,-
Trading portfolios assets	50.627.666,-	52.309.195,-
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	3.255.610,-	18.950.968,-
Amounts due in respect to customer deposits and due to non-banks	35.349.976,-	31.396.603,-
Accrued expenses and deferred income	1.044.900,-	1.163.000,-
Reserves for general banking risks	41.125.000,-	40.715.000,-
Own shares	-4.002.615,-	-3.945.143,-
Statutory capital reserve and voluntary retained earnings reserve	37.750.000,-	37.750.000,-
Total balance-sheet	123.717.574,-	134.933.258,-
Total current assets	114.029.716,-	125.115.295,-
Total shareholders' equity	83.970.871,-	83.352.915,-

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