

Entropics Asset Management AB  
Org.nr. 556951-3376

## Capital Adequacy Report per 2016-03-31

### Disclosure of Capital Adequacy Information

According to the regulation FFFS 2014:12 by Finansinspektionen, the Swedish Financial Supervisory Authority, Entropics is required to disclose information on capital adequacy and risk management on a quarterly basis. This information is enclosed below and is published on Entropics's site [en.entropics.se](http://en.entropics.se).

### Capital Adequacy per March 31, 2016

SEK thousands

#### Capital, SEK thousands

Capital stock	1 000
Surplus brought forward	765
Shareholders' contribution	576
Profit for the period	-568
	<b>1 773</b>
Core Tier 1 capital	
Tier 1 capital	1 773
Tier 2 capital	0
<b>Total capital</b>	<b>0</b>
	<b>1 773</b>
Information on risk-weighted exposure	
Exposures to institutions	
Exposures to other posts	469
<b>Credit exposure according to the standard method</b>	<b>31</b>
	<b>500</b>
Total risk-weighted exposure, calculated according to articles 92 and 95-97 of the EU regulation 575/2013: 25 % of fixed costs in the latest fiscal year multiplied by 12.5, which returns	8 918
The capital requirement corresponds to 8 % of the larger of the total risk weighted exposure and the credit risk exposure, and is at least	713
The capital requirement according to the decision by Finansinspektionen, is € 125 000, as agreed when the company was approved, July 9 2014.	
<i>The legally determined capital requirement exceeds the capital requirement according to EU directive 575/2013, and thus the capital requirement is</i>	1 161
	<b>1 161</b>
<b>Capital Surplus,</b>	<b>612</b>
Capital Ratio	<b>1.53</b>

**Key figures**

		<i>Minimum level according to article 92 of the EU directive 575/2013</i>
Core tier 1 capital relation (Core tier 1 capital in relation to the total risk-weighted exposure)	19.88%	4.5%
Tier 1 capital relation (Tier 1 capital in relation to the total risk-weighted exposure)	19.88%	6.0%
Total capital relation (Capital in relation to the total risk-weighted exposure)	19.88%	8.0%
Capital conservation buffer ( 2.5% of the total risk-weighted exposure according to article 129 of EU-directive 2013/36)	223	
Internal assessment of capital need per March 31	1 161	

**Information on liquidity**

Liquidity risks exists concerning the liquidity to fulfill short term obligations. In case of a short term need for additional liquidity should arise, Entropics can handle this through shareholders' contributions.

To prevent liquidity shortage, a liquidity budget is made and followed up at least monthly and is regularly reported to the board. The company places its holdings on a bank account in a Swedish bank.

Reserve liquidity per March 31*, SEK thousands	2 343
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**Key figures for liquidity risk**

Quick Ratio	292%
Solvency	69.8%