

Entropics Asset Management AB  
 Org.nr. 556951-3376

## Capital Adequacy Report per 2015-03-31

### 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, 2015

SEK thousands

#### Capital, SEK thousands

Capital stock	1 000
Surplus brought forward	898
Shareholders' contribution	500
Profit for the period	-685

Core Tier 1 capital	1 713
Tier 1 capital	0
Tier 2 capital	0
<b>Total capital</b>	<b>1 713</b>

Information on risk-weighted exposure	
Exposures to institutions	400
Exposures to other posts	42
<b>Credit exposure according to the standard method</b>	<b>442</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 yearly plan multiplied by 12.5, which returns	5 676
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The capital requirement corresponds to 8 % of the larger of the total risk weighted exposure and the credit risk exposure, and is at least	454
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The capital requirement according to the decision by Finansinspektionen, is € 125 000, as agreed when the company was approved, July 9 2014.	1 161
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<i>The legally determined capital requirement exceeds the capital requirement according to EU directive 575/2013, and thus the capital requirement is</i>	<i>1 161</i>
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<b>Capital Surplus,</b>	<b>552</b>
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**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)	30.18%	4.5%
Tier 1 capital relation (Tier 1 capital in relation to the total risk-weighted exposure)	30.18%	6.0%
Total capital relation (Capital in relation to the total risk-weighted exposure)	30.18%	8.0%
Capital conservation buffer ( 2.5% of the total risk-weighted exposure according to article 129 of EU-directive 2013/36)	142	
Internal assessment of capital need per March 31	342	

**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 30 September*, SEK thousands	2 001
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**Key figures for liquidity risk**

Quick Ratio	523%
Solvency	81.8%