

Entropics Asset Management AB  
 Org.nr. 556951-3376

## Capital Adequacy Report per 2014-09-30

### 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 September 30, 2014

SEK thousands

#### Capital, SEK thousands

Capital stock

Shareholders' contribution

Profit for the period

Core Tier 1 capital	1 701
Tier 1 capital	0
Tier 2 capital	0
<b>Total capital</b>	<b>1 701</b>

Information on risk-weighted exposure

Exposures to institutions

Exposures to other posts

#### Credit exposure according to the standard method

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 3 113

The capital requirement corresponds to 8 % of the larger of the total risk weighted exposure and the credit risk exposure, and is at least 249

The capital requirement according to the decision by Finansinspektionen, is € 125 000, as agreed when the company was approved, July 9 2014. 1 161

*The legally determined capital requirement exceeds the capital requirement according to EU directive 575/2013, and thus the capital requirement is 1 161*

**Capital Surplus, 540**

**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)	54.65%	4.5%
Tier 1 capital relation (Tier 1 capital in relation to the total risk-weighted exposure)	54.65%	6.0%
Total capital relation (Capital in relation to the total risk-weighted exposure)	54.65%	8.0%
Capital conservation buffer ( 2.5% of the total risk-weighted exposure according to article 129 of EU-directive 2013/36)	78	
Internal assessment of capital need per September 30	320	

**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	1 752
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**Key figures for liquidity risk**

Quick Ratio	1 256 %
Solvency	92,3 %