

Entropics Asset Management AB
Org.nr. 556951-3376

Capital Adequacy Report per 2015-09-30

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.

Capital Adequacy per September 30, 2015

SEK thousands

Capital, SEK thousands

Capital stock	1 000
Surplus brought forward	898
Shareholders' contribution	1 800
Profit for the period	-1 947
	1 751
Core Tier 1 capital	
Tier 1 capital	1 751
Tier 2 capital	0
Total capital	0
	1 751
Information on risk-weighted exposure	
Exposures to institutions	
Exposures to other posts	416
Credit exposure according to the standard method	37
	453
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	
The capital requirement corresponds to 8 % of the larger of the total risk weighted exposure and the credit risk exposure, and is at least	5 676
	454
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
	1 161
Capital Surplus,	590
Capital Ratio	1.51

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)	30.85%	4.5%
Tier 1 capital relation (Tier 1 capital in relation to the total risk-weighted exposure)	30.85%	6.0%
Total capital relation (Capital in relation to the total risk-weighted exposure)	30.85%	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 June 30	343	

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 June 30*, SEK thousands	2 080
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Key figures for liquidity risk

Quick Ratio	387%
Solvency	74.6%