

Entropics Asset Management AB
 Org.nr. 556951-3376

Capital Adequacy Report per 2017-06-30

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 June 30, 2016

SEK thousands

Capital, SEK thousands

Capital stock	1,000
Surplus brought forward	731
Shareholders' contribution	1,200
Profit for the period	-1,255
Capital base	1,675

Core Tier 1 capital	1,675
Tier 1 capital	0
Tier 2 capital	0
Total capital	1,675

Information on risk-weighted exposure

Exposures to institutions	327
Exposures to other posts	492
Credit exposure according to the standard method	819

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	9,626
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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	770
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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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Capital Surplus	514
Capital Ratio	1.44

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)	17.40 %	4.5%
Tier 1 capital relation (Tier 1 capital in relation to the total risk-weighted exposure)	17.40 %	6.0%
Total capital relation (Capital in relation to the total risk-weighted exposure)		8.0%
	241	
Capital conservation buffer (2.5% of the total risk-weighted exposure according to article 129 of EU-directive 2013/36)		
	1.161	
Internal assessment of capital need per June 30		

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	1,634
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Key figures for liquidity risk

Quick Ratio	468%
Solvency	79%