

Entropics Asset Management AB
 Org.nr. 556951-3376

Capital Adequacy Report per 2017-03-31

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.

Capital Adequacy per December 31, 2016

SEK thousands

Capital, SEK thousands

Capital stock	1,000
Surplus brought forward	731
Shareholders' contribution	600
Profit for the period	-687
	1,644

Core Tier 1 capital	
Tier 1 capital	1,644
Tier 2 capital	0
Total capital	0
	1,644

Information on risk-weighted exposure	
Exposures to institutions	
Exposures to other posts	313
Credit exposure according to the standard method	437
	750

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

The capital requirement corresponds to 8 % of the larger of the total risk weighted exposure and the credit risk exposure, and is at least	9,626
	770

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,	483
Capital Ratio	1.42

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)		4.5%
Tier 1 capital relation (Tier 1 capital in relation to the total risk-weighted exposure)	17.07%	6.0%
Total capital relation (Capital in relation to the total risk-weighted exposure)	17.07%	8.0%
Capital conservation buffer (2.5% of the total risk-weighted exposure according to article 129 of EU-directive 2013/36)	17.07%	
	241	
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	1,644
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Key figures for liquidity risk

Quick Ratio	542%
Solvency	82%