MORGAN STANLEY BANK ASIA LIMITED

Unaudited Quarterly Financial Disclosure Statement

As at 30 September 2025

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UNAUDITED QUARTERLY FINANCIAL DISCLOSURE STATEMENT
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A. BASIS OF PREPARATION

Corporate information

Morgan Stanley Bank Asia Limited ("MSBAL", or the "Company") is a private limited company incorporated in Hong Kong, with a head office in Hong Kong and a branch in Singapore. The Company has a subsidiary, Morgan Stanley Bank International (China) Limited, which is incorporated in China. MSBAL and its subsidiary together form the MSBAL Group (the "MSBAL Group").

Basis of preparation

The unaudited quarterly financial disclosure statement has been prepared on a consolidated basis (i.e. including the business of the subsidiary of the MSBAL Group), unless otherwise indicated, in accordance with the Banking (Disclosure) Rules.

The capital adequacy ratios of the MSBAL Group were calculated in accordance with Banking (Capital) Rules. The Basel III final reform package was effective from 1 January 2025. As such, the related impact was reflected from the first quarter of 2025, while the comparative information up to 31 December 2024 followed the previous framework. The following approaches are used to calculate its capital charge for:

(a) credit risk: Standardized (Credit Risk) Approach ("STC approach");
(b) counterparty credit risk: Standardized (Counterparty Credit Risk) ("SA-CCR") Approach for derivatives and comprehensive approach in recognition of collateral for securities financing transactions;
(c) operational risk: Standardized Approach (effective from 1 January 2025) and Basic Indicator Approach ("BIA approach") (before 1 January 2025);
(d) market risk: Standardised (Market Risk) Approach ("STM approach"); and
(e) CVA risk: the SA-CCR capital charge amount (from 1 January 2025) and Standardized CVA method (before 1 January 2025).

Where applicable, the templates and tables disclosed as part of the unaudited quarterly financial disclosure statement show the standard disclosure templates and tables specified by the HKMA under the Banking (Disclosure) Rules. Other templates or tables which are not applicable to the MSBAL Group, or have no reportable amount for the period, are not disclosed.

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B. KEY PRUDENTIAL RATIOS

Template KM1: Key Prudential Ratios

		The MSBAL Group				
		As at 30 September 2025	As at 30 June 2025	As at 31 March 2025	As at 31 December 2024	As at 30 September 2024
		USD'000	USD'000	USD'000	USD'000	USD'000
	Regulatory capital (amount)					
1 & 1a	Common Equity Tier 1 ("CET1")	2,077,494	2,008,177	1,961,664	1,875,430	1,811,768
2 & 2a	Tier 1	2,077,494	2,008,177	1,961,664	1,875,430	1,811,768
3 & 3a	Total capital	2,105,251	2,033,968	1,985,380	1,898,231	1,835,355
	Risk-weighted amount ("RWA") (amount)					
4	Total RWA	4,931,732	4,534,604	4,175,785	3,797,295	3,365,638
4a	Total RWA (pre-floor) (1)	4,931,732	4,534,604	4,175,785	Not applicable	Not applicable
	Risk-based regulatory capital ratios (as a percentage of RWA)					
5 & 5a	CET1 ratio (%)	42%	44%	47%	49%	54%
5b	CET1 ratio (%) (pre-floor ratio) (1)	42%	44%	47%	Not applicable	Not applicable
6 & 6a	Tier 1 ratio (%)	42%	44%	47%	49%	54%
6b	Tier 1 ratio (%) (pre-floor ratio) (1)	42%	44%	47%	Not applicable	Not applicable
7 & 7a	Total capital ratio (%)	43%	45%	48%	50%	55%
7b	Total capital ratio (%) (pre-floor ratio) (1)	43%	45%	48%	Not applicable	Not applicable
	Additional CET1 buffer requirements (as a percentage of RWA)					
8	Capital conservation buffer requirement (%)	2.500%	2.500%	2.500%	2.500%	2.500%
9	Countercyclical capital buffer requirement (%)	0.285%	0.313%	0.323%	0.338%	0.663%
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	0%	0%	0%	0%	0%
11	Total Authorised Institution ("AI")-specific CET1 buffer requirements (%)	2.785%	2.813%	2.823%	2.838%	3.163%
12	CET1 available after meeting the AI's minimum capital requirements (%)	35%	37%	40%	42%	47%
	Basel III leverage ratio					
13	Total leverage ratio ("LR") exposure measure	9,862,101	9,511,159	8,594,422	8,722,890	8,654,822
13a	LR exposure measure based on mean values of gross assets of securities financing transactions ("SFTs")	10,104,054	9,637,915	8,769,838	Not applicable	Not applicable
14, 14a & 14b	LR (%)	21%	21%	23%	22%	21%
14c & 14d	LR (%) based on mean values of gross assets of SFTs	21%	21%	22%	Not applicable	Not applicable
	Liquidity Maintenance Ratio ("LMR")					
17a	LMR (%) (2)	62%	69%	69%	77%	72%
	Core Funding Ratio ("CFR")					
20a	CFR (%) (2)	138%	147%	150%	255%	224%

Note 1: The MSBAL Group has disclosed the same value under both pre-floor and post-floor scenarios as the output floor requirement is not applicable.

Note 2: The LMR and CFR disclosed above represent the arithmetic mean of the average LMR and average CFR of the 3 calendar months within each quarter respectively. The MSBAL Group is not required, under the Banking (Liquidity) Rules, to calculate Liquidity Coverage Ratio or Net Stable Funding Ratio for its liquidity risk.

C. OVERVIEW OF RISK-WEIGHTED AMOUNT

Template OV1: Overview of RWA

		The MSBAL Group		
		RWA		Minimum capital requirements [1]
		As at 30 September 2025 USD'000	As at 30 June 2025 USD'000	As at 30 September 2025 USD'000
1	Credit risk for non-securitization exposures	3,554,599	3,235,206	284,368
2	Of which Standardized (Credit Risk) Approach ("STC approach")	3,554,599	3,235,206	284,368
2a	Of which Basic Approach ("BSC approach")	-	-	-
3	Of which foundation Internal Ratings-Based ("IRB") Approach	-	-	-
4	Of which supervisory slotting criteria approach	-	-	-
5	Of which advanced IRB approach	-	-	-
5a	Of which retail IRB approach	-	-	-
5b	Of which specific risk-weight approach	-	-	-
6	Counterparty default risk and default fund contributions	56,506	64,367	4,521
7	Of which Standardized (Counterparty Credit Risk) ("SA-CCR") Approach	31,262	34,734	2,501
7a	Of which Current Exposure Method ("CEM")	-	-	-
8	Of which Internal Models (Counterparty Credit Risk) Approach ("IMM(CCR) approach")	-	-	-
9	Of which others	25,244	29,633	2,020
10	Credit Valuation Adjustment ("CVA") risk	31,262	34,734	2,501
11	Equity positions in banking book under the simple risk-weight method and internal models method	Not applicable	Not applicable	Not applicable
12	Collective investment scheme ("CIS") exposures – Look-Through Approach ("LTA") / third-party approach	-	-	-
13	CIS exposures – Mandate-Based Approach ("MBA")	-	-	-
14	CIS exposures – Fall-Back Approach ("FBA")	-	-	-
14a	CIS exposures – combination of approaches	-	-	-
15	Settlement risk	-	-	-
16	Securitization exposures in banking book	-	-	-
17	Of which Securitization Internal Ratings-Based Approach ("SEC-IRBA")	-	-	-
18	Of which Securitization External Ratings-Based Approach ("SEC-ERBA") (including Internal Assessment Approach ("IAA"))	-	-	-
19	Of which Securitization Standardised Approach ("SEC-SA")	-	-	-
19a	Of which Securitization Fall-Back Approach ("SEC-FBA")	-	-	-
20	Market risk	285,905	239,305	22,872
21	Of which Standardized (Market Risk) Approach ("STM approach")	285,905	239,305	22,872
22	Of which Internal Models Approach ("IMA")	-	-	-
22a	Of which Simplified Standardized Approach ("SSTM approach")	-	-	-
23	Capital charge for moving exposures between trading book and banking book	-	-	-
24	Operational risk	1,003,460	960,992	80,277
24a	Sovereign concentration risk	-	-	-
25	Amounts below the thresholds for deduction (subject to 250% Risk-Weight ("RW"))	-	-	-
26	Output floor level applied	-	-	
27	Floor adjustment (before application of transitional cap)	-	-	
28	Floor adjustment (after application of transitional cap)	Not applicable	Not applicable	Not applicable
28a	Deduction to RWA	-	-	-
28b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	-	-	-
28c	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital	-	-	-
29	**Total**	**4,931,732**	**4,534,604**	**394,539**

Note 1: The disclosure on minimum capital requirement is made by multiplying the MSBAL Group's RWA derived from the relevant calculation approach by 8%, not the MSBAL Group's actual "regulatory capital".

D. LEVERAGE RATIO

Template LR2: Leverage Ratio

		The MSBAL Group	
		As at 30 September 2025	As at 30 June 2025
		USD'000	USD'000
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivative contracts and SFTs, but including related on-balance sheet collateral)	7,347,939	6,730,861
2	Gross-up for derivative contracts collateral provided where deducted from balance sheet assets pursuant to the applicable accounting standard	-	-
3	Less: Deductions of receivables assets for cash variation margin provided under derivative contracts	-	-
4	Less: Adjustment for securities received under SFTs that are recognised as an asset	-	-
5	Less: Specific and collective provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital	(474)	(748)
6	Less: Asset amounts deducted in determining Tier 1 capital	(46,314)	(40,667)
7	**Total on-balance sheet exposures (excluding derivative contracts and SFTs) (sum of rows 1 to 6)**	7,301,151	6,689,446
Exposures arising from derivative contracts			
8	Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/or with bilateral netting)	32,901	3,670
9	Add-on amounts for potential future exposure ("PFE") associated with all derivative contracts	95,284	108,888
10	Less: Exempted Central Counterparty ("CCP") leg of client-cleared trade exposures	-	-
11	Adjusted effective notional amount of written credit-related derivative contracts	-	-
12	Less: Permitted reductions in effective notional amount and permitted deductions from add-on amounts for PFE of written credit-related derivative contracts	-	-
13	**Total exposures arising from derivative contracts (sum of rows 8 to 12)**	128,185	112,558
Exposures arising from SFTs			
14	Gross amount of SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	1,983,049	2,295,102
15	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
16	Counterparty Credit Risk ("CCR") exposure for SFT assets	17,319	14,825
17	Agent transaction exposures	-	-
18	**Total exposures arising from SFTs (sum of rows 14 to 17)** [(1)]	2,000,368	2,309,927
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	4,323,922	3,992,230
20	Less: Adjustments for conversion to credit equivalent amounts	(3,891,525)	(3,593,002)
21	Less: Specific and collective provisions associated with off-balance sheet exposures that are deducted from Tier 1 capital	-	-
22	**Off-balance sheet items (sum of rows 19 to 21)**	432,397	399,228
Capital and total exposures			
23	**Tier 1 capital**	2,077,494	2,008,177
24	**Total exposures (sum of rows 7, 13, 18 and 22)**	9,862,101	9,511,159
Leverage ratio			
25 & 25a	**Leverage ratio**	**21%**	**21%**
26	**Minimum leverage ratio requirement**	**3%**	**3%**
27	**Applicable leverage buffers**	Not applicable	Not applicable

D. LEVERAGE RATIO (CONTINUED)

Template LR2: Leverage Ratio (Continued)

		The MSBAL Group	
		As at 30 September 2025	As at 30 June 2025
		USD'000	USD'000
Disclosure of mean values			
28	Mean value of gross assets of SFTs, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	2,225,002	2,421,858
29	Quarter-end value of gross amount of SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	1,983,049	2,295,102
30 & 30a	Total exposures based on mean values from row 28 of gross assets of SFTs (after adjustment for sale accounting transactions and netted amounts of associated cash payables and cash receivables)	10,104,054	9,637,915
31 & 31a	Leverage ratio based on mean values from row 28 of gross assets of SFTs (after adjustment for sale accounting transactions and netted amounts of associated cash payables and cash receivables)	**21%**	**21%**

Note 1: In the third quarter of 2025, decrease in total exposures arising from SFTs is mainly due to a decrease in secured financing.