

MORGAN STANLEY BANK ASIA LIMITED

Interim Financial Disclosure Statements

For the six months ended 30 June 2025

MORGAN STANLEY BANK ASIA LIMITED

INTERIM FINANCIAL DISCLOSURE STATEMENTS

For the six months ended 30 June 2025

CONTENTS	PAGES
Corporate Information	1
Unaudited income statement	3
Unaudited statement of comprehensive income	4
Unaudited statement of changes in equity	5
Unaudited statement of financial position	6
Notes to the unaudited financial information	7

MORGAN STANLEY BANK ASIA LIMITED

CORPORATE INFORMATION

For the six months ended 30 June 2025

The Directors of Morgan Stanley Bank Asia Limited (“MSBAL”, or the “Company”) hereby present the unaudited interim financial disclosure statements of the Company for the period ended 30 June 2025. The interim financial disclosure statements are prepared in accordance with the Banking (Disclosure) Rules pursuant to Section 60A of the Hong Kong Banking Ordinance. Except where indicated otherwise, the financial information contained in this interim financial disclosure statement have been prepared on a Company-level standalone basis.

PRINCIPAL ACTIVITIES

The Company is a private limited company incorporated in Hong Kong, with a head office in Hong Kong and a branch in Singapore (“Branch”). The Company is a full licensed bank under the Banking Ordinance in Hong Kong, regulated by the Hong Kong Monetary Authority (“HKMA”). The Branch is licensed as a wholesale bank in Singapore, regulated by the Monetary Authority of Singapore (“MAS”). The Company is also a registered institution under the Securities and Futures Ordinance.

The principal activities of the Company are to engage in the business of banking (including deposit taking and lending), dealing in and advising on securities and discretionary portfolio management. The Company also acts as agent on behalf of its clients to transmit client instructions to other Morgan Stanley affiliates in connection with the provision of general investment, securities and futures dealing.

The Company has a subsidiary, Morgan Stanley Bank International (China) Limited (the “Subsidiary”), which is incorporated in mainland China, and regulated by the National Financial Regulatory Administration (“NFRA”) and its local branch and bureaus. The Company and its subsidiary together form the MSBAL Group (the “MSBAL Group”).

The Company’s ultimate parent undertaking and controlling entity is Morgan Stanley which, together with the Company and Morgan Stanley’s other subsidiary undertakings, form the Morgan Stanley Group (the “Morgan Stanley Group”).

The Company’s immediate parent undertaking is Morgan Stanley Hong Kong 1238 Limited, which is incorporated in Hong Kong.

REQUIREMENT IN CONNECTION WITH PUBLICATION OF FINANCIAL STATEMENTS

The financial information relating to the year ended 31 December 2024 that is included in the unaudited interim financial disclosure statements for the six months ended 30 June 2025 as comparative information does not constitute the Company’s statutory annual financial statements for the year ended 31 December 2024 but is derived from the audited financial statements for the year ended 31 December 2024. Further information related to the audited financial statements for the year ended 31 December 2024 required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

As the Company is a private company, the Company is not required to deliver its financial statements to the Registrar of Companies, and has not done so.

MORGAN STANLEY BANK ASIA LIMITED

CORPORATE INFORMATION

For the six months ended 30 June 2025

REQUIREMENT IN CONNECTION WITH PUBLICATION OF FINANCIAL STATEMENTS (CONTINUED)

The Company's auditor has reported on the audited financial statements for the year ended 31 December 2024. The auditor's report was unqualified; did not include a reference to any matter to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

Signed on behalf of the Board

CHUI, YIK CHIU VINCENT
DIRECTOR
29 September 2025

MORGAN STANLEY BANK ASIA LIMITED

UNAUDITED INCOME STATEMENT

For the six months ended 30 June 2025

	Note	For the six months ended 30 June 2025 US\$'000	For the six months ended 30 June 2024 US\$'000
Interest income		100,764	132,159
Interest expense		(77,182)	(81,425)
Net interest income	1	<u>23,582</u>	<u>50,734</u>
Fee and commission income		293,478	214,992
Fee and commission expense		(1,499)	(688)
Net fee and commission income	2	<u>291,979</u>	<u>214,304</u>
Net (losses)/gains from financial instruments at fair value through profit or loss ("FVPL")		(113,187)	114,215
Net gains on derecognition of financial assets measured at fair value through other comprehensive income ("FVOCI")		—	3
Other revenue	3	183,867	3,106
Total non-interest revenues		<u>362,659</u>	<u>331,628</u>
Net revenues		<u>386,241</u>	<u>382,362</u>
Non-interest expense:			
Other expense	4	(234,346)	(260,730)
Net impairment loss on financial instruments		(37)	(34)
PROFIT BEFORE INCOME TAX		<u>151,858</u>	<u>121,598</u>
Income tax	5	(25,320)	(19,315)
PROFIT FOR THE PERIOD		<u><u>126,538</u></u>	<u><u>102,283</u></u>

The notes on pages 7 to 42 form an integral part of the financial disclosure statements.

MORGAN STANLEY BANK ASIA LIMITED

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	For the six months ended 30 June 2025 US\$'000	For the six months ended 30 June 2024 US\$'000
PROFIT FOR THE PERIOD	<u>126,538</u>	<u>102,283</u>
Items that may be reclassified subsequently to profit or loss:		
FVOCI reserve:		
Net change in fair value	64	(411)
Net amount reclassified to income statement	—	(3)
OTHER COMPREHENSIVE INCOME AFTER INCOME TAX	<u>64</u>	<u>(414)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u><u>126,602</u></u>	<u><u>101,869</u></u>

The notes on pages 7 to 42 form an integral part of the financial disclosure statements.

MORGAN STANLEY BANK ASIA LIMITED

UNAUDITED STATEMENT OF CHANGES IN EQUITY For the six months ended 30 June 2025

	Share capital US\$'000	FVOCI reserve US\$'000	Retained earnings US\$'000	Total equity US\$'000
Balance at 1 January 2024	930,000	388	770,632	1,701,020
Profit for the year	—	—	231,084	231,084
Other comprehensive income for the year:				
FVOCI reserve:				
Net change in fair value	—	66	—	66
Net amount reclassified to income statement	—	(3)	—	(3)
Total comprehensive income for the year	—	63	231,084	231,147
Transaction with owner:				
Equity-based awards adjustments	—	—	406	406
Balance at 31 December 2024 and 1 January 2025	930,000	451	1,002,122	1,932,573
Profit for the period	—	—	126,538	126,538
Other comprehensive income for the period:				
FVOCI reserve:				
Net change in fair value	—	64	—	64
Total comprehensive income for the period	—	64	126,538	126,602
Transaction with owner:				
Equity-based awards adjustments	—	—	626	626
Balance at 30 June 2025	930,000	515	1,129,286	2,059,801

The notes on pages 7 to 42 form an integral part of the financial disclosure statements.

MORGAN STANLEY BANK ASIA LIMITED

UNAUDITED STATEMENT OF FINANCIAL POSITION For the six months ended 30 June 2025

	Note	As at 30 June 2025 US\$'000	As at 31 December 2024 US\$'000
ASSETS			
Cash and short-term deposits	7	71,503	104,838
Trading financial assets	8	41,509	123,973
Secured financing	9	2,295,102	1,452,946
Loans and advances	10	5,110,248	4,524,781
Investment securities	11	973,266	1,966,272
Trade and other receivables		105,474	42,479
Prepayments		343	1,897
Deferred tax assets		13,229	18,194
Investment in a subsidiary		262,348	262,348
TOTAL ASSETS		8,873,022	8,497,728
LIABILITIES AND EQUITY			
LIABILITIES			
Deposits	12	6,484,666	6,116,602
Trading financial liabilities	8	92,814	11,828
Trade and other payables		196,981	374,529
Current tax liabilities		38,223	61,150
Accruals		537	1,046
TOTAL LIABILITIES		6,813,221	6,565,155
EQUITY			
Share capital		930,000	930,000
FVOCI reserve		515	451
Retained earnings		1,129,286	1,002,122
Equity attributable to owner of the Company		2,059,801	1,932,573
TOTAL EQUITY		2,059,801	1,932,573
TOTAL LIABILITIES AND EQUITY		8,873,022	8,497,728

The notes on pages 7 to 42 form an integral part of the financial disclosure statements.

MORGAN STANLEY BANK ASIA LIMITED

NOTES TO THE UNAUDITED FINANCIAL INFORMATION

For the six months ended 30 June 2025

1. INTEREST INCOME AND INTEREST EXPENSE

The table below presents interest income and expense by accounting classification. Interest income and expense is calculated using the effective interest rate method for financial assets and financial liabilities measured at amortised cost and financial assets measured at FVOCI. Interest income includes realised interest on certain financial assets measured at FVPL.

	For the six months ended 30 June 2025 US\$'000	For the six months ended 30 June 2024 US\$'000
Financial assets measured at amortised cost	68,414	83,060
Financial assets measured at FVOCI	19,595	21,710
Financial assets not measured at FVPL	<u>88,009</u>	<u>104,770</u>
Trading financial assets	8	9
Non-trading financial assets measured at FVPL	12,747	27,380
Financial assets measured at FVPL	<u>12,755</u>	<u>27,389</u>
Total interest income	<u>100,764</u>	<u>132,159</u>
Financial liabilities measured at amortised cost	(77,182)	(81,425)
Total interest expense	<u>(77,182)</u>	<u>(81,425)</u>
Net interest income	<u>23,582</u>	<u>50,734</u>

‘Interest income’ represents total interest generated from financial assets whilst ‘Interest expense’ represents total interest arising on financial liabilities.

The recognition of negative interest income may result from transactions in certain currencies which may at times have negative interest rates, mainly arising from securities purchased under agreements to resell transactions.

No other gains or losses have been recognised in respect of financial assets measured at amortised cost other than as disclosed as ‘Interest income’, impairment losses disclosed in ‘Net impairment loss on financial instruments’ and foreign exchange differences disclosed in ‘Other revenue’ (note 3).

No other gains or losses have been recognised in respect of financial liabilities measured at amortised cost other than as disclosed as ‘Interest expense’, and foreign exchange differences disclosed in ‘Other revenue’ (note 3).

MORGAN STANLEY BANK ASIA LIMITED

NOTES TO THE UNAUDITED FINANCIAL INFORMATION For the six months ended 30 June 2025

2. FEE AND COMMISSION

	For the six months ended 30 June 2025 US\$'000	For the six months ended 30 June 2024 US\$'000
Fee and commission income:		
Sales commissions and fees	293,342	214,967
Other fees	136	25
Total fee and commission income	293,478	214,992
Fee and commission expense:		
Sales commissions and fees	(1,499)	(688)
Total fee and commission expense	(1,499)	(688)
Net fee and commission income	291,979	214,304

3. OTHER REVENUE

	For the six months ended 30 June 2025 US\$'000	For the six months ended 30 June 2024 US\$'000
Net foreign exchange gains	179,714	—
Management charges to other Morgan Stanley Group undertakings	4,107	3,095
Others	46	11
	183,867	3,106

MORGAN STANLEY BANK ASIA LIMITED

NOTES TO THE UNAUDITED FINANCIAL INFORMATION

For the six months ended 30 June 2025

4. OTHER EXPENSE

	For the six months ended 30 June 2025 US\$'000	For the six months ended 30 June 2024 US\$'000
Staff costs	167,212	134,539
Management charges from other Morgan Stanley Group undertakings	55,892	49,591
Net foreign exchange losses	—	67,539
Others	11,242	9,061
	<u>234,346</u>	<u>260,730</u>

5. INCOME TAX

	For the six months ended 30 June 2025 US\$'000	For the six months ended 30 June 2024 US\$'000
Current tax		
Hong Kong	15,572	14,180
Other jurisdiction	4,684	3,839
Deferred tax	<u>5,064</u>	<u>1,296</u>
Income tax	<u>25,320</u>	<u>19,315</u>

MORGAN STANLEY BANK ASIA LIMITED

NOTES TO THE UNAUDITED FINANCIAL INFORMATION For the six months ended 30 June 2025

6. FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT CATEGORY

The following table analyses financial assets and financial liabilities as at 30 June 2025 presented in the unaudited statement of financial position.

30 June 2025	FVPL (mandatorily) US\$'000	FVOCI US\$'000	Amortised cost US\$'000	Total US\$'000
Cash and short-term deposits	—	—	71,503	71,503
Trading financial assets	41,509	—	—	41,509
Secured financing	2,295,102	—	—	2,295,102
Loans and advances	—	—	5,110,248	5,110,248
Investment securities	—	973,266	—	973,266
Trade and other receivables	—	—	105,474	105,474
Total financial assets	2,336,611	973,266	5,287,225	8,597,102
Deposits	—	—	6,484,666	6,484,666
Trading financial liabilities	92,814	—	—	92,814
Trade and other payables	—	—	196,981	196,981
Total financial liabilities	92,814	—	6,681,647	6,774,461

The following table analyses financial assets and financial liabilities as at 31 December 2024 presented in the statement of financial position.

31 December 2024	FVPL (mandatorily) US\$'000	FVOCI US\$'000	Amortised cost US\$'000	Total US\$'000
Cash and short-term deposits	—	—	104,838	104,838
Trading financial assets	123,973	—	—	123,973
Secured financing	1,452,946	—	—	1,452,946
Loans and advances	—	—	4,524,781	4,524,781
Investment securities	—	1,966,272	—	1,966,272
Trade and other receivables	—	—	42,479	42,479
Total financial assets	1,576,919	1,966,272	4,672,098	8,215,289
Deposits	—	—	6,116,602	6,116,602
Trading financial liabilities	11,828	—	—	11,828
Trade and other payables	—	—	374,529	374,529
Total financial liabilities	11,828	—	6,491,131	6,502,959

MORGAN STANLEY BANK ASIA LIMITED

NOTES TO THE UNAUDITED FINANCIAL INFORMATION For the six months ended 30 June 2025

7. CASH AND SHORT-TERM DEPOSITS

	As at 30 June 2025 US\$'000	As at 31 December 2024 US\$'000
Cash with central bank	40,474	62,345
Cash at banks	31,029	42,493
	<u>71,503</u>	<u>104,838</u>

8. TRADING FINANCIAL ASSETS AND LIABILITIES

Trading assets and trading liabilities are summarised as follows:

	As at 30 June 2025			As at 31 December 2024		
	Notional amount US\$'000	Fair value Assets US\$'000	Liabilities US\$'000	Notional amount US\$'000	Fair value Assets US\$'000	Liabilities US\$'000
Derivatives:						
Foreign exchange contracts	6,675,637	40,793	92,814	4,211,702	123,265	11,828
Debt securities	699	716	—	696	708	—
		<u>41,509</u>	<u>92,814</u>		<u>123,973</u>	<u>11,828</u>

The derivatives are entered with the Company's direct and indirect parent undertakings and other Morgan Stanley Group undertakings.

9. SECURED FINANCING

	As at 30 June 2025 US\$'000	As at 31 December 2024 US\$'000
Non-trading at FVPL		
Securities purchased under agreements to resell	<u>2,295,102</u>	<u>1,452,946</u>

MORGAN STANLEY BANK ASIA LIMITED

NOTES TO THE UNAUDITED FINANCIAL INFORMATION For the six months ended 30 June 2025

10. LOANS AND ADVANCES

	As at 30 June 2025 US\$'000	As at 31 December 2024 US\$'000
Loans and advances to customers	4,684,179	3,940,585
Loans and advances to other Morgan Stanley Group undertakings	426,206	584,296
Less: Expected credit loss ("ECL")	(137)	(100)
	<u>5,110,248</u>	<u>4,524,781</u>

11. INVESTMENT SECURITIES

	As at 30 June 2025 US\$'000	As at 31 December 2024 US\$'000
Government debt securities:		
US Treasury bills and securities	687,963	1,737,733
Singapore Government Treasury bills	234,462	196,682
HKMA Exchange Fund Bills & Notes	50,841	31,857
	<u>973,266</u>	<u>1,966,272</u>

12. DEPOSITS

	As at 30 June 2025 US\$'000	As at 31 December 2024 US\$'000
Deposits of banks		
Current account balances	487	294
Deposits of non-bank customers		
Current account balances	2,654,831	2,636,002
Term deposits	3,829,348	3,480,306
	<u>6,484,666</u>	<u>6,116,602</u>

MORGAN STANLEY BANK ASIA LIMITED

NOTES TO THE UNAUDITED FINANCIAL INFORMATION **For the six months ended 30 June 2025**

13. PILLAR 3 DISCLOSURE

Basis of preparation

The Pillar 3 disclosure 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 ('BCR'). 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: Standardised (Credit Risk) Approach ("STC approach");
- b. counterparty credit risk: Standardised (Counterparty Credit Risk) Approach ("SA-CCR approach");
- c. operational risk: Standardized Approach (effective from 1 January 2025) and Basic Indicator Approach ("BIA approach") (before 1 January 2025); and
- d. market risk: Standardised (Market Risk) Approach ("STM approach").

Where applicable, the templates and tables disclosed as part of the unaudited interim 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.

MORGAN STANLEY BANK ASIA LIMITED

NOTES TO THE UNAUDITED FINANCIAL INFORMATION For the six months ended 30 June 2025

13. PILLAR 3 DISCLOSURE (CONTINUED)

Template KM1: Key Prudential Ratios

		The MSBAL Group				
		As at 30 June 2025	As at 31 March 2025	As at 31 December 2024	As at 30 September 2024	As at 30 June 2024
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
	Regulatory capital (amount)					
1 & 1a	Common Equity Tier 1 ("CET1")	2,008,177	1,961,664	1,875,430	1,811,768	1,755,860
2 & 2a	Tier 1	2,008,177	1,961,664	1,875,430	1,811,768	1,755,860
3 & 3a	Total capital	2,033,968	1,985,380	1,898,231	1,835,355	1,779,173
	Risk-weighted amount ("RWA") (amount)					
4	Total RWA	4,534,604	4,175,785	3,797,295	3,365,638	3,202,592
4a	Total RWA (pre-floor) ⁽¹⁾	4,534,604	4,175,785	Not applicable	Not applicable	Not applicable
	Risk-based regulatory capital ratios (as a percentage of RWA)					
5 & 5a	CET1 ratio (%)	44%	47%	49%	54%	55%
5b	CET 1 ratio (%) (pre-floor ratio) ⁽¹⁾	44%	47%	Not applicable	Not applicable	Not applicable
6 & 6a	Tier 1 ratio (%)	44%	47%	49%	54%	55%
6b	Tier 1 ratio (%) (pre-floor ratio) ⁽¹⁾	44%	47%	Not applicable	Not applicable	Not applicable
7 & 7a	Total capital ratio (%)	45%	48%	50%	55%	56%
7b	Total capital ratio (%) (pre-floor ratio) ⁽¹⁾	45%	48%	Not applicable	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 (%)	0.313%	0.323%	0.338%	0.663%	0.605%
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 (%)	2.813%	2.823%	2.838%	3.163%	3.105%
12	CET1 available after meeting the AI's minimum capital requirements (%)	37%	40%	42%	47%	48%
	Basel III leverage ratio					
13	Total leverage ratio ("LR") exposure measure ⁽²⁾	9,511,159	8,594,422	8,722,890	8,654,822	8,153,723
13a	LR exposure measure based on mean values of gross assets of SFTs	9,637,915	8,769,838	Not applicable	Not applicable	Not applicable
14, 14a & 14b	LR (%)	21%	23%	22%	21%	22%
14c & 14d	LR (%) based on mean values of gross assets of SFTs	21%	22%	Not applicable	Not applicable	Not applicable
	Liquidity Maintenance Ratio ("LMR")					
17a	LMR (%) ⁽³⁾	69%	69%	77%	72%	73%
	Core Funding Ratio ("CFR")					
20a	CFR (%) ⁽³⁾	147%	150%	255%	224%	217%

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: In the second quarter of 2025, increase in total leverage ratio exposure measure is mainly due to an increase in total on-balance sheet exposures and total exposure arising from SFTs. Please refer to LR2 note 1, 2 for details.

Note 3: 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 nor Net Stable Funding Ratio for its liquidity risk.

MORGAN STANLEY BANK ASIA LIMITED

NOTES TO THE UNAUDITED FINANCIAL INFORMATION For the six months ended 30 June 2025

13. PILLAR 3 DISCLOSURE (CONTINUED)

Template OV1: Overview of RWA

		The MSBAL Group		
		RWA		Minimum capital requirements ⁽¹⁾
		As at	As at	As at
		30 June 2025	31 March 2025	30 June 2025
		US\$'000	US\$'000	US\$'000
1	Credit risk for non-securitization exposures	3,235,206	2,613,244	258,816
2	Of which Standardised (Credit Risk) Approach (“STC approach”) ⁽²⁾	3,235,206	2,613,244	258,816
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 credit risk and default fund contributions	64,367	44,515	5,150
7	Of which Standardised (Counterparty Credit Risk) (“SA-CCR”) Approach	34,734	31,922	2,779
7a	Of which Current Exposure Method (“CEM”)	—	—	—
8	Of which Internal Models (Counterparty Credit Risk) Approach (“IMM(CCR) approach”)	—	—	—
9	Of which others	29,633	12,593	2,371
10	Credit Valuation Adjustment (“CVA”) risk	34,734	31,922	2,779
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 / third-party approach	—	—	—
13	CIS exposures – mandate-based approach	—	—	—
14	CIS exposures – fall-back approach	—	—	—
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	239,305	555,550	19,144
21	Of which Standardised (Market Risk) Approach (“STM approach”)	239,305	555,550	19,144
22	Of which IMA	—	—	—
22a	Of which SSTM approach	—	—	—
23	Capital charge for moving exposures between trading book and banking book	—	—	—
24	Operational risk	960,992	930,554	76,879
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	4,534,604	4,175,785	362,768

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”.

Note 2: In the second quarter in 2025, the increase in RWA from credit risk for non-securitization exposures is mainly due to increase in loans and advances to customers.

MORGAN STANLEY BANK ASIA LIMITED

NOTES TO THE UNAUDITED FINANCIAL INFORMATION For the six months ended 30 June 2025

13. PILLAR 3 DISCLOSURE (CONTINUED)

Template CC1: Composition of regulatory capital

		The MSBAL Group	
		Amount US\$'000	Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation (Template CC2)
As at 30 June 2025			
CET1 capital: instruments and reserves			
1	Directly issued qualifying CET1 capital instruments plus any related share premium	930,000	(1)
2	Retained earnings	1,146,140	(2)
3	Disclosed reserves	(27,296)	(2)
5	Minority interests arising from CET1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in CET1 capital of the consolidation group)	—	
6	CET1 capital before regulatory deductions	2,048,844	
CET1 capital: regulatory deductions			
7	Valuation adjustments	803	
8	Goodwill (net of associated deferred tax liabilities)	—	
9	Other intangible assets (net of associated deferred tax liabilities)	1,343	(4)
10	Deferred tax assets (net of associated deferred tax liabilities)	13,478	(3)
11	Cash flow hedge reserve	—	
12	Excess of total EL amount over total eligible provisions under the IRB approach	—	
13	Credit-enhancing interest-only strip, and any gain-on-sale and other increase in the CET1 capital arising from securitization transactions	—	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	—	
15	Defined benefit pension fund net assets (net of associated deferred tax liabilities)	—	
16	Investments in own CET1 capital instruments (if not already netted off paid-in capital on reported balance sheet)	—	
17	Reciprocal cross-holdings in CET1 capital instruments	—	
18	Insignificant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	—	
19	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	—	
20	Mortgage servicing rights (net of associated deferred tax liabilities)	Not applicable	Not applicable
21	Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities)	Not applicable	Not applicable
22	Amount exceeding the 15% threshold	Not applicable	Not applicable
23	of which: significant investments in the ordinary share of financial sector entities	Not applicable	Not applicable
24	of which: mortgage servicing rights	Not applicable	Not applicable
25	of which: deferred tax assets arising from temporary differences	Not applicable	Not applicable
26	National specific regulatory adjustments applied to CET1 capital	—	
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	—	
26b	Regulatory reserve for general banking risks	25,043	
26c	Securitization exposures specified in a notice given by the MA	—	
26d	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings	—	
26e	Capital shortfall of regulated non-bank subsidiaries	—	
26f	Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	—	
27	Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions	—	

MORGAN STANLEY BANK ASIA LIMITED

NOTES TO THE UNAUDITED FINANCIAL INFORMATION For the six months ended 30 June 2025

13. PILLAR 3 DISCLOSURE (CONTINUED)

Template CC1: Composition of regulatory capital (continued)

As at 30 June 2025		The MSBAL Group	
		Amount US\$'000	Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation (Template CC2)
28	Total regulatory deductions to CET1 capital	40,667	
29	CET1 capital	2,008,177	
AT1 capital: instruments			
30	Qualifying AT1 capital instruments plus any related share premium	—	
31	of which: classified as equity under applicable accounting standards	—	
32	of which: classified as liabilities under applicable accounting standards	—	
34	AT1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in AT1 capital of the consolidation group)	—	
36	AT1 capital before regulatory deductions	—	
AT1 capital: regulatory deductions			
37	Investments in own AT1 capital instruments	—	
38	Reciprocal cross-holdings in AT1 capital instruments	—	
39	Insignificant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	—	
40	Significant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	—	
41	National specific regulatory adjustments applied to AT1 capital	—	
42	Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions	—	
43	Total regulatory deductions to AT1 capital	—	
44	AT1 capital	—	
45	Tier 1 capital (T1 = CET1 + AT1)	2,008,177	
Tier 2 capital: instruments and provisions			
46	Qualifying Tier 2 capital instruments plus any related share premium	—	
48	Tier 2 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in Tier 2 capital of the consolidation group)	—	
50	Collective provisions and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	25,791	
51	Tier 2 capital before regulatory deductions	25,791	
Tier 2 capital: regulatory deductions			
52	Investments in own Tier 2 capital instruments	—	
53	Reciprocal cross-holdings in Tier 2 capital instruments and non-capital LAC liabilities	—	
54	Insignificant LAC investments in Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold and, where applicable, 5% threshold)	—	
54a	Insignificant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (amount formerly designated for the 5% threshold but no longer meets the conditions) (for institutions defined as “section 2 institution” under §2(1) of Schedule 4F to BCR only)	—	
55	Significant LAC investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions)	—	
55a	Significant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions)	—	

MORGAN STANLEY BANK ASIA LIMITED

NOTES TO THE UNAUDITED FINANCIAL INFORMATION For the six months ended 30 June 2025

13. PILLAR 3 DISCLOSURE (CONTINUED)

Template CC1: Composition of regulatory capital (continued)

		The MSBAL Group	
		Amount US\$'000	Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation (Template CC2)
As at 30 June 2025			
56	National specific regulatory adjustments applied to Tier 2 capital	—	
56a	Add back of cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties) eligible for inclusion in Tier 2 capital	—	
56b	Regulatory deductions applied to Tier 2 capital to cover the required deductions falling within BCR §48(1)(g)	—	
57	Total regulatory adjustments to Tier 2 capital	—	
58	Tier 2 capital (T2)	25,791	
59	Total regulatory capital (TC = T1 + T2)	2,033,968	
60	Total RWA	4,534,604	
Capital ratios (as a percentage of RWA)			
61	CET1 capital ratio	44 %	
62	Tier 1 capital ratio	44 %	
63	Total capital ratio	45 %	
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer plus higher loss absorbency requirements)	2.813 %	
65	of which: capital conservation buffer requirement	2.500 %	
66	of which: bank specific countercyclical capital buffer requirement	0.313 %	
67	of which: higher loss absorbency requirement	—	
68	CET1 (as a percentage of RWA) available after meeting minimum capital requirements	37 %	
National minima (if different from Basel 3 minimum)			
69	National CET1 minimum ratio	Not applicable	Not applicable
70	National Tier 1 minimum ratio	Not applicable	Not applicable
71	National Total capital minimum ratio	Not applicable	Not applicable
Amounts below the thresholds for deduction (before risk weighting)			
72	Insignificant LAC investments in CET1, AT1 and Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation	—	
73	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	—	
74	Mortgage servicing rights (net of associated deferred tax liabilities)	Not applicable	Not applicable
75	Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities)	Not applicable	Not applicable
Applicable caps on the inclusion of provisions in Tier 2 capital			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the BSC approach, or the STC approach and SEC-ERBA, SEC-SA and SEC-FBA (prior to application of cap)	25,791	
77	Cap on inclusion of provisions in Tier 2 under the BSC approach, or the STC approach, and SEC-ERBA, SEC-SA and SEC-FBA	41,245	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the IRB approach and SEC-IRBA (prior to application of cap)	—	
79	Cap for inclusion of provisions in Tier 2 under the IRB approach and SEC-IRBA	—	

MORGAN STANLEY BANK ASIA LIMITED

NOTES TO THE UNAUDITED FINANCIAL INFORMATION For the six months ended 30 June 2025

13. PILLAR 3 DISCLOSURE (CONTINUED)

Template CC1: Composition of regulatory capital (continued)

Elements where a more conservative definition has been applied in the BCR relative to that set out in Basel III capital standards are disclosed below in Notes to the template.

As at 30 June 2025		The MSBAL Group	
Description	Hong Kong basis	Basel III basis	
	US\$'000	US\$'000	
9	Other intangible assets (net of associated deferred tax liabilities)	1,343	1,343
<u>Explanation</u> As set out in paragraph 87 of the Basel III text issued by the Basel Committee (December 2010), mortgage servicing rights ("MSRs") may be given limited recognition in CET1 capital (and hence be excluded from deduction from CET1 capital up to the specified threshold). In Hong Kong, an AI is required to follow the accounting treatment of including MSRs as part of intangible assets reported in the AI's financial statements and to deduct MSRs in full from CET1 capital. Therefore, the amount to be deducted as reported in row 9 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 9 (i.e. the amount reported under the "Hong Kong basis") adjusted by reducing the amount of MSRs to be deducted to the extent not in excess of the 10% threshold set for MSRs and the aggregate 15% threshold set for MSRs, DTAs arising from temporary differences and significant investments in CET1 capital instruments issued by financial sector entities (excluding those that are loans, facilities or other credit exposures to connected companies) under Basel III.			
10	Deferred tax assets ("DTAs") (net of associated deferred tax liabilities)	13,478	—
<u>Explanation</u> As set out in paragraphs 69 and 87 of the Basel III text issued by the Basel Committee (December 2010), DTAs of the bank to be realised are to be deducted, whereas DTAs which relate to temporary differences may be given limited recognition in CET1 capital (and hence be excluded from deduction from CET1 capital up to the specified threshold). In Hong Kong, an AI is required to deduct all DTAs in full, irrespective of their origin, from CET1 capital. Therefore, the amount to be deducted as reported in row 10 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 10 (i.e. the amount reported under the "Hong Kong basis") adjusted by reducing the amount of DTAs to be deducted which relate to temporary differences to the extent not in excess of the 10% threshold set for DTAs arising from temporary differences and the aggregate 15% threshold set for MSRs, DTAs arising from temporary differences and significant investments in CET1 capital instruments issued by financial sector entities (excluding those that are loans, facilities or other credit exposures to connected companies) under Basel III.			

Abbreviations:

CET1: Common Equity Tier 1

AT1: Additional Tier 1

MORGAN STANLEY BANK ASIA LIMITED

NOTES TO THE UNAUDITED FINANCIAL INFORMATION For the six months ended 30 June 2025

13. PILLAR 3 DISCLOSURE (CONTINUED)

Template CC2: Reconciliation of regulatory capital to balance sheet

	Balance sheet as in published financial disclosure statements	Under regulatory scope of consolidation	Reference to template CC1
As at 30 June 2025	US\$'000	US\$'000	
Assets			
Cash and short-term deposits	71,503	142,892	
Trading financial assets	41,509	360,789	
Secured Financing	2,295,102	2,295,102	
Loans and advances	5,110,248	5,157,523	
Investment securities	973,266	973,266	
Trade and other receivables	105,474	117,603	
Prepayments	343	1,906	
Deferred tax assets	13,229	13,478	(3)
Fixed assets	—	3,748	
Investment in a subsidiary	262,348	—	
Intangible assets	—	1,343	(4)
Total assets	8,873,022	9,067,650	
Liabilities			
Deposits	6,484,666	6,662,122	
Trading financial liabilities	92,814	94,283	
Secured borrowings	—	13,281	
Trade and other payables	196,981	209,763	
Current tax liabilities	38,223	38,783	
Accruals	537	574	
Total liabilities	6,813,221	7,018,806	
Shareholders' equity			
Share capital	930,000	930,000	
Of which: amount eligible for CET1	930,000	930,000	(1)
FVOCI reserve	515	515	(2)
Retained earnings	1,129,286	1,118,329	(2)
Total shareholders' equity	2,059,801	2,048,844	

MORGAN STANLEY BANK ASIA LIMITED

NOTES TO THE UNAUDITED FINANCIAL INFORMATION For the six months ended 30 June 2025

13. PILLAR 3 DISCLOSURE (CONTINUED)

Table CCA: Main features of regulatory capital instruments

The following table shows the main features of outstanding capital instruments issued.

		Quantitative / qualitative information
1	Issuer	Morgan Stanley Bank Asia Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	Not applicable
3	Governing law(s) of the instrument	Hong Kong Law
	Regulatory treatment	
4	Transitional Basel III rules ¹	Not applicable
5	Basel III rules ²	Common Equity Tier 1
6	Eligible at solo / group / solo and group	Solo
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares
8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	US\$930 million
9	Par value of instrument	Not applicable
10	Accounting classification	Shareholders' equity
11	Original date of issuance	<ul style="list-style-type: none"> 1 share issued on 19 May 2014 13,000,000 shares issued on 11 July 2014 156,999,998 shares issued on 13 January 2015 1 share issued on 9 February 2015 500,000,000 shares issued on 22 March 2019 260,000,000 share issued on 15 March 2022
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	Not applicable
16	Subsequent call dates, if applicable	Not applicable
	Coupons / dividends	
17	Fixed or floating dividend / coupon	Floating
18	Coupon rate and any related index	Not applicable
19	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step-up or other incentive to redeem	No
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	Not applicable
25	If convertible, fully or partially	Not applicable
26	If convertible, conversion rate	Not applicable
27	If convertible, mandatory or optional conversion	Not applicable
28	If convertible, specify instrument type convertible into	Not applicable
29	If convertible, specify issuer of instrument it converts into	Not applicable
30	Write-down feature	No
31	If write-down, write-down trigger(s)	Not applicable
32	If write-down, full or partial	Not applicable
33	If write-down, permanent or temporary	Not applicable

MORGAN STANLEY BANK ASIA LIMITED

NOTES TO THE UNAUDITED FINANCIAL INFORMATION For the six months ended 30 June 2025

13. PILLAR 3 DISCLOSURE (CONTINUED)

Table CCA: Main features of regulatory capital instruments (continued)

		Quantitative / qualitative information
34	If temporary write-down, description of write-up mechanism	Not applicable
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	Represents the most subordinated claim in liquidation
36	Non-compliant transitioned features	Not applicable
37	If yes, specify non-compliant features	Not applicable

Footnote:

1. Regulatory treatment of capital instruments subject to transitional arrangements provided for in Schedule 4H to the BCR.
2. Regulatory treatment of capital instruments not subject to transitional arrangements provided for in Schedule 4H to the BCR.

Information relating to the disclosure of the full terms and conditions of the MSBAL Group's capital instruments can be viewed on the website: <http://www.morganstanley.com/about-us/global-offices/hong-kong>.

Template CCyB1: Geographical distribution of credit exposures used in countercyclical capital buffer ("CCyB")

		The MSBAL Group			
		As at 30 June 2025			
Geographical breakdown by Jurisdiction (J)		Applicable JCCyB ratio in effect	RWA used in computation of CCyB ratio	AI-specific CCyB ratio	CCyB amount
		%	US\$'000	%	US\$'000
1	Hong Kong SAR	0.500 %	1,864,122		
2	Australia	1.000 %	2		
3	Luxembourg	0.500 %	126,899		
4	United Kingdom	2.000 %	8,697		
5	Sum		1,999,720		
6	Total (Note)		3,237,342	0.313 %	14,188

Note:

The geographical allocation of private sector credit exposures to the various jurisdictions is based on "ultimate risk basis". "Ultimate risk basis" means the allocation of exposures to the jurisdictions where the risk ultimately lies, as defined as the location where the "ultimate obligor" resides.

Total RWA on Row 6 represents total sum of the RWA for private sector credit exposures across all jurisdictions to which the MSBAL Group is exposed, including jurisdictions with no applicable JCCyB ratio or with applicable JCCyB ratio set at zero.

The CCyB amount as at 30 June 2025 represents the MSBAL Group's specific CCyB ratio multiplied by the MSBAL Group's total RWA, as specified by the standard disclosure templates issued by the HKMA, instead of the MSBAL Group's RWA relating to private sector credit exposures.

MORGAN STANLEY BANK ASIA LIMITED

NOTES TO THE UNAUDITED FINANCIAL INFORMATION For the six months ended 30 June 2025

13. PILLAR 3 DISCLOSURE (CONTINUED)

Template LR1: Summary comparison of accounting assets against leverage ratio exposure measure

		The MSBAL Group
As at 30 June 2025		Value under the LR framework
	Item	US\$'000
1	Total consolidated assets as per published financial disclosure statements	9,067,650
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	—
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	—
4	Adjustments for temporary exemption of central bank reserves	Not applicable
5	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting standard but excluded from the LR exposure measure	—
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	—
7	Adjustments for eligible cash pooling transactions	—
8	Adjustments for derivative contracts	70,123
9	Adjustment for securities financing transactions (“SFTs”) (i.e. repos and similar secured lending)	14,825
10	Adjustment for off-balance sheet (“OBS”) items (i.e. conversion to credit equivalent amounts of OBS exposures)	399,228
11	Adjustments for prudent valuation adjustments and specific and collective provisions that are allowed to be excluded from LR exposure measure	(1,551)
12	Other adjustments	(39,116)
13	Leverage ratio exposure measure	9,511,159

MORGAN STANLEY BANK ASIA LIMITED

NOTES TO THE UNAUDITED FINANCIAL INFORMATION For the six months ended 30 June 2025

13. PILLAR 3 DISCLOSURE (CONTINUED)

Template LR2: Leverage Ratio

		The MSBAL Group	
		As at 30 June 2025	As at 31 March 2025
		US\$'000	US\$'000
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivative contracts and SFTs, but including related on-balance sheet collateral)	6,730,861	6,116,024
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	(748)	(600)
6	Less: Asset amounts deducted in determining Tier 1 capital	(40,667)	(35,641)
7	Total on-balance sheet exposures (excluding derivative contracts and SFTs) (sum of rows 1 to 6) ⁽¹⁾	6,689,446	6,079,783
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)	3,670	7,396
9	Add-on amounts for potential future exposure ("PFE") associated with all derivative contracts	108,888	102,549
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)	112,558	109,945
Exposures arising from SFTs			
14	Gross amount of SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	2,295,102	2,077,702
15	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	—	—
16	Counterparty Credit Risk ("CCR") exposure for SFT assets	14,825	—
17	Agent transaction exposures	—	—
18	Total exposures arising from SFTs (sum of rows 14 to 17) ⁽²⁾	2,309,927	2,077,702
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	3,992,230	3,269,871
20	Less: Adjustments for conversion to credit equivalent amounts	(3,593,002)	(2,942,879)
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)	399,228	326,992
Capital and total exposures			
23	Tier 1 capital	2,008,177	1,961,664
24	Total exposures (sum of rows 7, 13, 18 and 22)	9,511,159	8,594,422
Leverage ratio			
25 & 25a	Leverage ratio	21 %	23 %
26	Minimum leverage ratio requirement	3 %	3 %
27	Applicable leverage buffers	Not applicable	Not applicable

MORGAN STANLEY BANK ASIA LIMITED

NOTES TO THE UNAUDITED FINANCIAL INFORMATION For the six months ended 30 June 2025

13. PILLAR 3 DISCLOSURE (CONTINUED)

Template LR2: Leverage Ratio (Continued)

		The MSBAL Group	
		As at 30 June 2025	As at 31 March 2025
		US\$'000	US\$'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	2,421,858	2,253,118
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	2,295,102	2,077,702
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)	9,637,915	8,769,838
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 %	22 %

Note 1: In the second quarter of 2025, increase in total on-balance sheet exposure is mainly due to an increase in loans and advances to customers.

Note 2: In the second quarter of 2025, increase in total exposures arising from SFTs is mainly due to an increase in secured financing.

MORGAN STANLEY BANK ASIA LIMITED

NOTES TO THE UNAUDITED FINANCIAL INFORMATION For the six months ended 30 June 2025

13. PILLAR 3 DISCLOSURE (CONTINUED)

Template CR1: Credit quality of exposures

The MSBAL Group								
		Gross carrying amounts of			Of which expected credit loss ("ECL") accounting provisions for credit losses on STC approach exposures		Of which ECL accounting provisions for credit losses on IRB approach exposures	Net values
		Defaulted exposures	Non-defaulted exposures		Allocated in regulatory category of specific provisions	Allocated in regulatory category of collective provisions		
As at 30 June 2025		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
1	Loans	—	5,166,906	748	—	748	—	5,166,158
2	Debt securities	—	973,266	—	—	—	—	973,266
3	Off-balance sheet exposures	—	3,992,230	—	—	—	—	3,992,230
4	Total	—	10,132,402	748	—	748	—	10,131,654

Loans include loans and advances and related accrued interest receivables. Off-balance sheet exposures that are subject to capital requirements under the BCR are included in the above table (see note 14).

The MSBAL Group determines if any exposure is defaulted exposure in accordance with section 67 of the BCR.

Template CR3: Overview of recognised credit risk mitigation

		The MSBAL Group				
		Exposures unsecured: carrying amount	Exposures to be secured	Exposures secured by recognised collateral	Exposures secured by recognised guarantees	Exposures secured by recognised credit derivative contracts
As at 30 June 2025		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
1	Loans	473,414	4,692,744	2,332,473	—	—
2	Debt securities	973,266	—	—	—	—
3	Total	1,446,680	4,692,744	2,332,473	—	—
4	Of which defaulted	—	—	—	—	—

Loans include loans and advances and related accrued interest receivables.

MORGAN STANLEY BANK ASIA LIMITED

NOTES TO THE UNAUDITED FINANCIAL INFORMATION

For the six months ended 30 June 2025

13. PILLAR 3 DISCLOSURE (CONTINUED)

Template CR4: Credit risk exposures and effects of recognised credit risk mitigation – for STC approach

		The MSBAL Group					
		Exposures pre-CCF and pre-CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
As at 30 June 2025		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
Exposure classes		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	%
1	Sovereign exposures	1,057,001	—	1,057,001	—	8,579	1 %
2	Public Sector Entity (“PSE”) exposures	—	—	—	—	—	—
3	Multilateral development bank exposures	—	—	—	—	—	—
3a	Unspecified multilateral body exposures	—	—	—	—	—	—
4	Bank exposures	94,251	—	94,251	—	19,209	20 %
4a	Qualifying non-bank financial institution exposures	55,443	—	45,745	—	10,292	22 %
5	Eligible covered bond exposures	—	—	—	—	—	—
6	General corporate exposures	4,416,128	12,080,046	2,448,832	6	2,448,761	100 %
6a	Of which: non-bank financial institution exposures excluding those reported under row 4a	240,702	517,587	211,702	—	211,626	100 %
6b	Specialized lending	—	—	—	—	—	—
7	Equity exposures	—	—	—	—	—	—
7a	Significant capital investments in commercial entities	—	—	—	—	—	—
7b	Holdings of capital instruments issued by, and non-capital LAC liabilities of, financial sector entities	—	—	—	—	—	—
7c	Subordinated debts issued by banks, qualifying non-bank financial institutions and corporates	—	—	—	—	—	—
8	Retail exposures	654,520	3,821,966	272,943	382,197	655,140	100 %
8a	Exposures arising from IPO financing	—	—	—	—	—	—
9	Real estate exposures	99,742	170,258	75,496	17,026	84,175	91 %
9a	Of which: regulatory residential real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	—	—	—	—	—	—
9b	Of which: regulatory residential real estate exposures (materially dependent on cash flows generated by mortgaged properties)	—	—	—	—	—	—

MORGAN STANLEY BANK ASIA LIMITED

NOTES TO THE UNAUDITED FINANCIAL INFORMATION

For the six months ended 30 June 2025

13. PILLAR 3 DISCLOSURE (CONTINUED)

Template CR4: Credit risk exposures and effects of recognised credit risk mitigation – for STC approach (Continued)

		The MSBAL Group					
		Exposures pre-CCF and pre-CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
As at 30 June 2025		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
Exposure classes		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	%
9c	Of which: regulatory commercial real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	—	—	—	—	—	—
9d	Of which: regulatory commercial real estate exposures (materially dependent on cash flows generated by mortgaged properties)	—	—	—	—	—	—
9e	Of which: other real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	99,742	170,258	75,496	17,026	84,175	91 %
9f	Of which: other real estate exposures (materially dependent on cash flows generated by mortgaged properties)	—	—	—	—	—	—
9g	Of which: land acquisition, development and construction exposures	—	—	—	—	—	—
10	Defaulted exposures	—	—	—	—	—	—
11	Other exposures	17,050	—	17,050	—	9,050	53 %
11a	Cash and gold	—	—	—	—	—	—
11b	Items in the process of clearing or settlement	—	—	—	—	—	—
12	Total	6,394,135	16,072,270	4,011,318	399,229	3,235,206	73 %

For the six months ended 30 June 2025, the increase in RWA from credit risk was mainly due to (i) increase in loans and advances, and (ii) increase in off-balance sheet exposures (see note 14) due to change in regulatory credit conversion factor (“CCF”) under the BCR driven by the implementation of the Basel III final reform package. The amount of off-balance sheet exposures disclosed in the above table include those that are subject to 0% CCF under the BCR.

MORGAN STANLEY BANK ASIA LIMITED

NOTES TO THE UNAUDITED FINANCIAL INFORMATION

For the six months ended 30 June 2025

13. PILLAR 3 DISCLOSURE (CONTINUED)

Template CR5: Credit risk exposures by exposure classes and by risk weights – for STC approach

		The MSBAL Group							
		As at 30 June 2025							
		US\$'000							
		0%	20%	50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)	
1	Sovereign exposures	1,014,105	42,896	—	—	—	—	1,057,001	
2	Public sector entity exposures	—	—	—	—	—	—	—	
3	Multilateral development bank exposures	—		—	—	—	—	—	
3a	Unspecified multilateral body exposures	—	—	—	—	—	—	—	
4	Bank exposures	93,937	—	—	50	—	—	264	94,251
4a	Qualifying non-bank financial institution exposures	41,936	—	—	3,809	—	—	—	45,745

MORGAN STANLEY BANK ASIA LIMITED

NOTES TO THE UNAUDITED FINANCIAL INFORMATION

For the six months ended 30 June 2025

13. PILLAR 3 DISCLOSURE (CONTINUED)

Template CR5: Credit risk exposures by exposure classes and by risk weights – for STC approach (Continued)

		The MSBAL Group								
		As at 30 June 2025								
		US\$'000								
		10%	15%	20%	25%	35%	50%	100%	Other	Total credit exposure amount (post-CCF and post-CRM)
5	Eligible covered bond exposures	—	—	—	—	—	—	—	—	—

		20%	30%	50%	65%	75%	85%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
6	General corporate exposures	—	—	153		—	—	2,448,685	—	—	2,448,838
6a	Of which: non-bank financial institution exposures excluding those reported under row 4a	—	—	153		—	—	211,549	—	—	211,702

		20%	50%	75%	80%	100%	130%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
6b	Specialized lending	—	—	—	—	—	—	—	—	—

		100%	250%	400%	Other	Total credit exposure amount (post-CCF and post-CRM)
7	Equity exposures	—	—	—	—	—

		250%	400%	1250%	Other	Total credit exposure amount (post-CCF and post-CRM)
7a	Significant capital investments in commercial entities	—	—	—	—	—

MORGAN STANLEY BANK ASIA LIMITED

NOTES TO THE UNAUDITED FINANCIAL INFORMATION

For the six months ended 30 June 2025

13. PILLAR 3 DISCLOSURE (CONTINUED)

Template CR5: Credit risk exposures by exposure classes and by risk weights – for STC approach (Continued)

		The MSBAL Group				
		As at 30 June 2025				
		US\$'000				
		150%	250%	400%	Other	Total credit exposure amount (post-CCF and post-CRM)
7b	Holdings of capital instruments issued by, and non-capital LAC liabilities of, financial sector entities	—	—	—	—	—
7c	Subordinated debts issued by banks, qualifying non-bank financial institutions and corporates	150%			Other	Total credit exposure amount (post-CCF and post-CRM)
		—	—	—	—	—
8	Retail exposures	45%	75%	100%	Other	Total credit exposure amount (post-CCF and post-CRM)
		—	—	655,140	—	655,140
8a	Exposures arising from IPO financing	0%			Other	Total credit exposure amount (post-CCF and post-CRM)
		—	—	—	—	—

MORGAN STANLEY BANK ASIA LIMITED

NOTES TO THE UNAUDITED FINANCIAL INFORMATION

For the six months ended 30 June 2025

13. PILLAR 3 DISCLOSURE (CONTINUED)

Template CR5: Credit risk exposures by asset classes and by risk weights – for STC approach (Continued)

		The MSBAL Group																			
		As at 30 June 2025																			
		US\$'000																			
		0%	20%	25%	30%	35%	40%	45%	50%	60%	65%	70%	75%	85%	90%	100%	105%	110%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
9	Real estate exposures	—	—	—	—	—	—	—	—	—	—	—	33,389	—	—	59,133	—	—	—	—	92,522
9a	Of which: regulatory residential real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9b	Of which: no loan splitting applied	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9c	Of which: loan splitting applied (secured)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9d	Of which: loan splitting applied (unsecured)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9e	Of which: regulatory residential real estate exposures (materially dependent on cash flows generated by mortgaged properties)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9f	Of which: regulatory commercial real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9g	Of which: no loan splitting applied	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

MORGAN STANLEY BANK ASIA LIMITED

NOTES TO THE UNAUDITED FINANCIAL INFORMATION

For the six months ended 30 June 2025

13. PILLAR 3 DISCLOSURE (CONTINUED)

Template CR5: Credit risk exposures by asset classes and by risk weights – for STC approach (Continued)

		The MSBAL Group																			
		As at 30 June 2025																			
		US\$'000																			
		0%	20%	25%	30%	35%	40%	45%	50%	60%	65%	70%	75%	85%	90%	100%	105%	110%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
9h	Of which: loan splitting applied (secured)																				
9i	Of which: loan splitting applied (unsecured)																				
9j	Of which: regulatory commercial real estate exposures (materially dependent on cash flows generated by mortgaged properties)																				
9k	Of which: other real estate exposures (not materially dependent on cash flows generated by mortgaged properties)																				
9l	Of which: no loan splitting applied																				
9m	Of which: loan splitting applied (secured)																				
9n	Of which: loan splitting applied (unsecured)																				
9o	Of which: other real estate exposures (materially dependent on cash flows generated by mortgaged properties)																				
9p	Of which: land acquisition, development and construction exposures																				

MORGAN STANLEY BANK ASIA LIMITED

NOTES TO THE UNAUDITED FINANCIAL INFORMATION

For the six months ended 30 June 2025

13. PILLAR 3 DISCLOSURE (CONTINUED)

Template CR5: Credit risk exposures by asset classes and by risk weights – for STC approach (Continued)

		The MSBAL Group				
		As at 30 June 2025				
		US\$'000				
		50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
10	Defaulted exposures		—	—	—	—
11	Other exposures	100%	1250%		Other	Total credit exposure amount (post-CCF and post-CRM)
		7,050	—	10,000	17,050	
11a	Cash and gold	0%	100%		Other	Total credit exposure amount (post-CCF and post-CRM)
		—	—	—	—	
11b	Items in the process of clearing or settlement	0%	20%		Other	Total credit exposure amount (post-CCF and post-CRM)
		—	—	—	—	

MORGAN STANLEY BANK ASIA LIMITED

NOTES TO THE UNAUDITED FINANCIAL INFORMATION

For the six months ended 30 June 2025

13. PILLAR 3 DISCLOSURE (CONTINUED)

Template CR5: Credit risk exposures by asset classes and by risk weights – for STC approach (Continued)

Exposure amounts and CCFs applied to off-balance sheet exposures, categorised based on risk bucket of converted exposures:

		The MSBAL Group			
		As at 30 June 2025			
	Risk Weight	On-balance sheet exposure	Off-balance sheet exposure (pre-CCF)	Weighted average CCF*	Exposure (post-CCF and post-CRM)
		US\$'000	US\$'000	%	US\$'000
1	Less than 40%	1,212,545	—	—	1,202,874
2	40 - 70%	7,232	—	—	4,012
3	75%	19,137	170,258	10 %	33,389
4	85%	—	—	—	—
5	90 - 100%	5,154,957	15,902,012	2 %	3,170,008
6	105 - 130%	—	—	—	—
7	150%	264	—	—	264
8	250%	—	—	—	—
9	400%	—	—	—	—
10	1,250%	—	—	—	—
11	Total exposures	6,394,135	16,072,270	2 %	4,410,547

*Weighting is based on off-balance sheet exposure (pre-CCF).

Exposures (post-CCF and post-CRM) are calculated by first applying credit risk mitigation measures, then CCFs, where applicable.

MORGAN STANLEY BANK ASIA LIMITED

NOTES TO THE UNAUDITED FINANCIAL INFORMATION For the six months ended 30 June 2025

13. PILLAR 3 DISCLOSURE (CONTINUED)

Template CCR1: Analysis of counterparty credit risk exposures (other than those to CCPs) by approaches

		The MSBAL Group					
		Replacement cost ("RC")	PFE	Effective EPE	Alpha (α) used for computing default risk exposure	Default risk exposure after CRM	RWA
As at 30 June 2025		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
1	SA-CCR approach (for derivative contracts)	3,221	70,744		1.4	103,551	34,734
1a	CEM (for derivative contracts)	—	—		1.4	—	—
2	IMM (CCR) approach			—	—	—	—
3	Simple approach (for SFTs)					—	—
4	Comprehensive approach (for SFTs)					63,501	29,633
5	Value-at-risk ("VaR") (for SFTs)					—	—
6	Total						64,367

MORGAN STANLEY BANK ASIA LIMITED

NOTES TO THE UNAUDITED FINANCIAL INFORMATION

For the six months ended 30 June 2025

13. PILLAR 3 DISCLOSURE (CONTINUED)

Template CCR3: Counterparty credit risk exposures (other than those to CCPs) by exposure classes and by risk weights – for STC approach

		The MSBAL Group											
		As at 30 June 2025											
		Risk Weight	0%	10%	20%	30%	40%	50%	75%	85%	100%	150%	Others
Exposure class		US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
1	Sovereign exposures	—	—	—	—	—	—	—	—	—	—	—	—
2	Public sector entity exposures	—	—	—	—	—	—	—	—	—	—	—	—
3	Multilateral development bank exposures	—	—	—	—	—	—	—	—	—	—	—	—
4	Unspecified multilateral body exposures	—	—	—	—	—	—	—	—	—	—	—	—
5	Bank exposures	—	—	2,014	96,478	—	6,194	—	—	—	—	—	104,686
6	Qualifying non-bank financial institution exposures	—	—	—	699	—	—	—	—	—	—	—	699
7	General corporate exposures	—	—	—	—	—	59,905	—	—	1,762	—	—	61,667
8	Retail exposures	—	—	—	—	—	—	—	—	—	—	—	—
9	Defaulted exposures	—	—	—	—	—	—	—	—	—	—	—	—
10	Other exposures	—	—	—	—	—	—	—	—	—	—	—	—
11	Total	—	—	2,014	97,177	—	66,099	—	—	1,762	—	—	167,052

MORGAN STANLEY BANK ASIA LIMITED

NOTES TO THE UNAUDITED FINANCIAL INFORMATION For the six months ended 30 June 2025

13. PILLAR 3 DISCLOSURE (CONTINUED)

Template CCR5: Composition of collateral for counterparty credit risk exposures (including those for contracts or transactions cleared through CCPs)

	The MSBAL Group					
	Derivative contracts				SFTs	
	Fair value of recognised collateral received		Fair value of posted collateral		Fair value of recognised collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
As at 30 June 2025	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Cash - domestic currency	—	6,497	—	43,950	1	2,715
Cash - other currencies	—	—	—	1,832	—	—
Domestic sovereign debt	—	—	—	—	—	—
Other sovereign debt	—	—	—	—	2,196,087	—
Government agency debt	—	—	—	—	—	—
Corporate bonds	—	—	—	—	—	—
Equity securities	—	—	—	—	—	—
Other collateral	—	—	—	—	—	—
Total	—	6,497	—	45,782	2,196,088	2,715

Domestic currency refers to the reporting currency of the Company, i.e. USD.

Template MR1: Market risk under STM approach

		The MSBAL Group
		Market risk capital charges under STM approach
As at 30 June 2025		US\$'000
1	General interest rate risk	6,400
2	Equity risk	—
3	Commodity risk	—
4	Foreign exchange risk	1,291
5	Credit spread risk (non-securitization)	4,339
6	Credit spread risk (securitization: non-correlation trading portfolio ("CTP"))	—
7	Credit spread risk (securitization: CTP)	—
8	Standardized default risk charge ("SA-DRC") (non-securitization)	7,114
9	SA-DRC (securitization: non-CTP)	—
10	SA-DRC (securitization: CTP)	—
11	Residual risk add-on	—
12	Total	19,144

MORGAN STANLEY BANK ASIA LIMITED

NOTES TO THE UNAUDITED FINANCIAL INFORMATION For the six months ended 30 June 2025

13. PILLAR 3 DISCLOSURE (CONTINUED)

Template ENC: Asset encumbrance

	The MSBAL Group		
	Encumbered assets	Unencumbered assets	Total
As at 30 June 2025	US\$'000	US\$'000	US\$'000
Cash and short-term deposits	—	142,892	142,892
Trading financial assets	14,735	346,054	360,789
Secured Financing	—	2,295,102	2,295,102
Loans and advances	—	5,157,523	5,157,523
Investment securities	—	973,266	973,266
Trade and other receivables	—	117,603	117,603
Prepayments	—	1,906	1,906
Deferred tax assets	—	13,478	13,478
Fixed assets	—	3,748	3,748
Intangible assets	—	1,343	1,343
Total assets	14,735	9,052,915	9,067,650

14. OFF-BALANCE SHEET EXPOSURES OTHER THAN DERIVATIVE TRANSACTIONS

The following table shows the nominal amounts of the off-balance sheet exposures (other than derivative transactions) of the MSBAL Group, which are subject to capital requirements under the BCR, and the total risk-weighted amounts for credit risk.

	As at 30 June 2025 US\$'000
Direct credit substitutes	6
Commitments that are unconditionally cancellable without prior notice	3,992,224
Total	3,992,230
Risk-weighted amounts	399,228

15. LOANS AND ADVANCES – SECTOR INFORMATION

The following breakdown of the Company's loans and advances by industry sectors is prepared in accordance with the categories as set out in the Banking (Disclosure) Rules, and the definitions contained in the Completion Instruction of HKMA Return of Quarterly Analysis of Loans and Advances and Provisions and HKMA Supervisory Policy Manual "CA-D-1 Guideline on the Application of the Banking (Disclosure) Rules".

Loans and Advances are exposures of counterparties based on the location of the counterparties after taking into account any risk transfer for the purpose of disclosure. Risk transfers include parent guarantees to branches, explicit guarantees by parents and third parties and collateral.

As at 30 June 2025, loans and advances of the Company comprise (a) loans and advances to customers of US\$4,684,179,000 which is fully secured and (b) loans and advances to other Morgan Stanley Group undertakings of US\$426,069,000 which is unsecured.

MORGAN STANLEY BANK ASIA LIMITED

NOTES TO THE UNAUDITED FINANCIAL INFORMATION For the six months ended 30 June 2025

15. LOANS AND ADVANCES – SECTOR INFORMATION (Continued)

	As at 30 June 2025 US\$'000
Sector classification	
Loans and advances for use in Hong Kong	
Industrial, commercial and financial:	
– Financial concerns	57,991
– Individuals	420,427
– Others ⁽¹⁾	2,061,567
Loans and advances for use outside Hong Kong	2,570,263
Total	<u>5,110,248</u>

(1) These represents loans and advances to “non-stockbroking companies and individuals for the purchase of shares” and “all others” defined in the Completion Instruction of HKMA Return of Quarterly Analysis of Loans and Advances and Provisions.

Below table shows the loans and advances by geographical areas in accordance with the location of the counterparties. The table shows individual geographical area to which not less than 10% of the Company’s total amount of loans and advances are attributable in accordance with the Banking (Disclosure) Rules.

	As at 30 June 2025 US\$'000
Geographical Areas	
Hong Kong	2,539,985
British Virgin Islands	1,065,479
Others	1,504,784
Total	<u>5,110,248</u>

16. INTERNATIONAL CLAIMS

The following breakdown of the Company’s international claims is prepared in accordance with the completion instruction of the HKMA Return of International Banking Statistics (“IBS”).

International claims are on-balance sheet exposures of counterparties based on the location of the counterparties after taking into account any risk transfer for the purpose of disclosure. In accordance with Completion Instruction of the HKMA Return of IBS, risk transfers include parent guarantees to branches, explicit guarantees by parents and third parties and collateral.

The table shows individual geographical segment or country to which not less than 10% of the Company’s total international claims are attributable, after taking into account of any recognized risk transfer, in accordance with the Banking (Disclosure) Rules.

MORGAN STANLEY BANK ASIA LIMITED

NOTES TO THE UNAUDITED FINANCIAL INFORMATION For the six months ended 30 June 2025

16. INTERNATIONAL CLAIMS (Continued)

		Non-bank private sector			
	Bank	Official sector	Non-bank financial institutions	Non-financial private sector	Total
As at 30 June 2025	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Developed countries	213,888	3,017,487	279,748	652,874	4,163,997
of which: United States	45,606	1,122,433	47,644	541,662	1,757,345
of which: Japan	17,070	1,882,315	27,389	54,141	1,980,915
Offshore centres	1,014,152	325,737	191,931	2,096,248	3,628,068
of which: Singapore	539,369	245,481	7,898	128,791	921,539
of which: Hong Kong	474,783	80,256	177,068	1,642,570	2,374,677
Developing Asia and Pacific	301,584	—	41,455	645,432	988,471

17. OVERDUE AND RESCHEDULED ASSETS

The Company has no overdue or rescheduled assets as at 30 June 2025.

18. MAINLAND ACTIVITIES

The below breakdown is prepared on the same basis as the Return of Mainland Activities, which includes non-bank Mainland China exposures of the Hong Kong office of the Company and its subsidiary in China, in accordance with the Banking (Disclosure) Rules. The Mainland China exposures to non-bank counterparties are categorized into the specified categories as defined under the Banking (Disclosure) Rules with reference to the Return of Mainland Activities submitted to the HKMA.

As at 30 June 2025	On-balance sheet exposures	Off-balance sheet exposures ⁽¹⁾	Total
Type of counterparties	US\$'000	US\$'000	US\$'000
Central governments, central government-owned entities and their subsidiaries and joint ventures ("JVs")	13,282	—	13,282
The People's Republic of China ("PRC") nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	44,369	445	44,814
Of which, PRC nationals residing in Mainland China or entities beneficially-owned by Mainland interest	6,903	—	6,903
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	416,903	6	416,909
Total	474,554	451	475,005

(1) These represent off-balance sheet exposures of the Company's Mainland subsidiary.

MORGAN STANLEY BANK ASIA LIMITED

NOTES TO THE UNAUDITED FINANCIAL INFORMATION

For the six months ended 30 June 2025

19. CURRENCY RISK

The disclosure in this note is prepared on the same basis as the Return of Foreign Currency Position, which includes foreign currency positions of the MSBAL Group, in accordance with the Banking (Disclosure) Rules. The currency risk arising from the MSBAL Group's operation for those individual currencies which each constitutes more than 10% of the total net positions in all foreign currencies are as follows:

	RMB	SGD	USD
As at 30 June 2025	US\$'000	US\$'000	US\$'000
Spot assets	1,263,991	449,909	3,309,038
Spot liabilities	(845,009)	(320,254)	(7,366,947)
Forward purchases	263,051	31,450	5,871,192
Forward sales	(683,438)	(165,114)	(1,806,098)
Net (short) / long position⁽¹⁾	(1,405)	(4,009)	7,185

(1) Net (short) / long positions in individual currencies of the MSBAL Group are reported in gross, i.e. interoffice balances and transactions between the head office and the Branch of the Company and its subsidiary are not eliminated.

The net structural position of the MSBAL Group for each individual currency that constitutes not less than 10% of the MSBAL Group's total net structural position in all foreign currencies are as follows:

As at 30 June 2025	US\$'000
RMB	<u>11,980</u>

The MSBAL Group has no option in any particular foreign currency as at 30 June 2025.