

**MORGAN STANLEY ASIA INTERNATIONAL LIMITED**

**Quarterly Financial Disclosure Statement**

**As at 31 March 2017**

**MORGAN STANLEY ASIA INTERNATIONAL LIMITED**

**UNAUDITED QUARTERLY FINANCIAL DISCLOSURE STATEMENT**  
**As at 31 March 2017**

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# MORGAN STANLEY ASIA INTERNATIONAL LIMITED

## UNAUDITED QUARTERLY FINANCIAL DISCLOSURE STATEMENT As at 31 March 2017

### 1. STANDARD DISCLOSURE TEMPLATE

#### Overview of risk-weighted amount (“RWA”)

The following table shows the standard disclosure template specified by the Hong Kong Monetary Authority (“the HKMA”) in relation to the overview of capital requirements of Morgan Stanley Asia International Limited (“the Company”) in terms of a detailed breakdown of RWAs for various risks.

		RWA		Minimum capital requirements
		As at 31 March 2017 USD’000	As at 31 December 2016 USD’000	As at 31 March 2017 USD’000
1	Credit risk for non-securitization exposures	426,418	418,390	34,113
2	Of which Standardized (Credit Risk) Approach (“STC approach”)	426,418	418,390	34,113
2a	Of which Basic Approach (“BSC approach”)	-	-	-
3	Of which Internal Ratings-Based Approach (“IRB approach”)	-	-	-
4	Counterparty credit risk	5,707	7,995	457
5	Of which Standardized Approach for Measuring Counterparty Credit Risk Exposures (“SA-CCR”)	-	-	-
5a	Of which Current Exposure Method (“CEM”)	3,923	5,496	314
6	Of which Internal Models (Counterparty Credit Risk) Approach (“IMM(CCR) approach”)	-	-	-
7	Equity exposures in banking book under the market-based approach	-	-	-
8	CIS exposures – Look-Through Approach (“LTA”)	-	-	-
9	CIS exposures – Mandate-Based Approach (“MBA”)	-	-	-
10	CIS exposures – Fall-Back Approach (“FBA”)	-	-	-
11	Settlement risk	-	-	-
12	Securitization exposures in banking book	-	-	-
13	Of which Internal Ratings-Based (Securitization) Approach (“IRB(S) approach”) – ratings-based method	-	-	-
14	Of which IRB(S) approach – supervisory formula method	-	-	-
15	Of which Standardized (Securitization) Approach (“STC(S) approach”)	-	-	-
16	Market risk	-	-	-
17	Of which Standardized (Market Risk) Approach (“STM approach”)	-	-	-
18	Of which Internal Models Approach (“IMM approach”)	-	-	-
19	Operational risk	416,170	420,519	33,294
20	Of which Basic Indicator Approach (“BIA approach”)	416,170	420,519	33,294
21	Of which Standardized (Operational Risk) Approach (“STO approach”)	-	-	-
21a	Of which Alternative Standardized Approach (“ASA approach”)	-	-	-
22	Of which Advanced Measurement Approach (“AMA approach”)	N/A	N/A	N/A
23	Amounts below the thresholds for deduction (subject to 250% Risk-Weight (“RW”))	-	-	-
24	Capital floor adjustment	-	-	-
24a	Deduction to RWA	923	990	74
24b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	923	990	74
24c	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital	-	-	-
25	Total	847,372	845,914	67,790

N/A: Not applicable in the case of Hong Kong

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## UNAUDITED QUARTERLY FINANCIAL DISCLOSURE STATEMENT As at 31 March 2017

### 1. STANDARD DISCLOSURE TEMPLATE (CONTINUED)

#### Overview of risk-weighted amount (“RWA”) (continued)

The capital adequacy ratios as at 31 March 2017 and 31 December 2016 were calculated in accordance with Banking (Capital) Rules of the Banking Ordinance. The Company uses the following approaches to calculate its capital charge for:

- (a) credit risk: STC approach; and
- (b) operational risk: BIA approach.

There was no RWA for market risk for the Company as at 31 March 2017 and 31 December 2016 because the Company was exempted by the HKMA from the calculation of market risk.

The disclosure is made by multiplying the Company’s RWA derived from the relevant calculation approach by 8%, not the Company’s actual “regulatory capital”.

There was no material change in the RWA for credit risk and operational risk during the quarterly reporting period.

### 2. KEY CAPITAL RATIOS DISCLOSURES

#### (a) Common Equity Tier 1 (“CET1”) capital ratio

	<b>As at 31 March 2017 USD’000</b>
CET1 capital	202,122
Total RWA	847,372
CET1 capital ratio	24%

#### (b) Tier 1 capital ratio

	<b>As at 31 March 2017 USD’000</b>
Tier 1 capital	202,122
Total RWA	847,372
Tier 1 capital ratio	24%

#### (c) Total capital ratio

	<b>As at 31 March 2017 USD’000</b>
Total capital	207,501
Total RWA	847,372
Total capital ratio	24%

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**2. KEY CAPITAL RATIOS DISCLOSURES (CONTINUED)**

**(d) Leverage ratio**

	<b>As at 31 March 2017 USD'000</b>
Tier 1 capital	202,122
Total exposures	4,453,266
Leverage ratio	4.54%