



ASEAN BANKER

To achieve higher growth through cooperation amongst ASEAN banks

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WELCOME MESSAGE FROM CHAIRPERSON OF MYANMAR BANKS ASSOCIATION



DAW KHIN SAW OO

Dear Friends and Colleagues,

Myanmar Banks Association (MBA) is deeply honoured to host the 24th ASEAN Banking Conference and 53rd ASEAN Banking Council Meeting from 19 to 21 November 2025 at Novotel Yangon Max Hotel, Yangon,

Myanmar. On behalf of MBA and its Board, it gives me great pleasure to invite all our honoured guests and members to this annual landmark Conference and Council the events. It is indeed an inordinate privilege for MBA to host this esteemed Conference for the first time in its history.

This year's event takes place in the context of growing geopolitics uncertainties and challenging times, especially on global trade repositioning and de-risking, tariffs tensions and complex issues surrounding climate change. I am however sanguine and optimistic that ASEAN as an economic bloc will rise above these challenges as we are blessed with vibrant intra-ASEAN growth, diversion of trade supply chain to this region and its favourable demographics as well as our growing ASEAN digital economy, which is estimated to grow from approximately USD 300 billion to almost USD 1 trillion by 2030 from recent expert studies. This is being underpinned by the recent ASEAN Digital Economy Framework Agreement (DEFA) being adopted by the ASEAN leaders. Forward-looking, DEFA can double the value of Digital Economy to USD 2 trillion.

This ASEAN Banking Conference and Council Meeting will usher an excellent opportunity to reconnect with senior leaders of banks in the ASEAN region as well as strengthening the collaboration and sharing within National Banking Associations and Member Banks. We trust that our ASEAN banks will exchange best practices as well as progressively build up financial and social infrastructure conducive for enhancing financial inclusion, innovation and the growth of businesses in this digital eco-system in the region.

I am pleased to also announce that we have secured Her Excellency Daw Than Than Swe, Governor of the Central Bank of Myanmar (CBM) and His Excellency Dr Kao Kim Hourn Secretary General of ASEAN, to grace the occasion and deliver their keynote speech and address, respectively.

In addition to the main activities of the Conference and Council Meetings, we have also designed side activities for delegates to experience the rich and unique Myanmar culture, local cuisines, visit historical and bucket list sites which have been much talk about of Yangon, Myanmar.

We believe this year's event will continue to strengthen cooperation and the exchange of experiences and ideas amongst ASEAN banking leaders and subject matter experts in this integrated digital world. MBA and myself look forward to welcoming you in person to attend the 24th ASEAN Banking Conference and 53rd ASEAN Banking Council Meeting this November in Yangon, Myanmar. 🇇🇵

Daw Khin Saw Oo

Chairperson, Myanmar Banks Association

WELCOME MESSAGE FROM CHAIRMAN OF ASEAN BANKERS ASSOCIATION



JOSE TEODORO K LIMCAOCO

Dear Friends and Colleagues,

On behalf of the ASEAN Bankers Association (ABA), I extend an earnest welcome to all our friends and colleagues to the coming 24th ASEAN Banking

Conference and the 53rd ASEAN Banking Council Meeting. This capstone event in our ASEAN Banking calendar will be hosted by Myanmar Banks Association (MBA) from the 19 to 21 November 2025, at the Novotel Yangon Max Hotel, Yangon, Myanmar.

The Organising Committee at MBA has been working tirelessly to assemble subject matter experts and thought leaders to deliberate, provide insights and leadership on the highly relevant topics in the new normal economic conditions, banking industry and regulatory environment as well as particularly in the ASEAN region. I commend Myanmar Banks Association (MBA) on selecting this year's theme **"Optimising Banking in a Digital Age: Successes and Challenges"**. This is timely in the line of the rapid adoption and embedding of digital lifestyle, particularly in ASEAN.

Studies have shown that ASEAN has the highest penetration and adoption of mobile/smart phones in this community. As per latest World Economic Forum (WEF) report it is 136%, among the world's highest. I would like to urge all members of ABA to participate in this prestigious event and to use the conference as an avenue to share your views and comments during the scheduled Conference and Council meetings. This will strengthen and help to shape our own strategic pathways for the banking and finance industry and complement the digital economic developments in this region. This event will also present great opportunities for you to network with your regional peers and business leaders as well as others thought leaders and subject matter experts outside the region.

I would like to thank MBA for hosting and arranging a list of interesting programmes and exciting social activities for all participants to have memorable time in Yangon, Myanmar. I am also grateful to Her Excellency Daw Than Than Swe, Governor, Central Bank of Myanmar (CBM), and His Excellency Dr Kao Kim Hourn, Secretary General of ASEAN, who have kindly agreed to deliver their keynote speech and address, respectively for this Conference.

I look forward to seeing you all at the event and wish you a rewarding and memorable time in Yangon, Myanmar. 🇇🇵

Jose Teodoro K Limcaoco

Chairman, ASEAN Bankers Association & President, Bankers Association of the Philippines

THE ASEAN BANKERS ASSOCIATION 'ABA ROUNDTABLE ON DIGITAL TRADE CONNECTIVITY 2025' TO PROMOTE DIGITAL TRADE CONNECTIVITY TO ASEAN BANKS

Jointly Organized by:  ASEAN Bankers Association  ASEAN BUSINESS ADVISORY COUNCIL THAILAND  APFF Asia-Pacific Financial Forum

Supported by:  Bangkok Bank  BANPU



The ASEAN Bankers Association (ABA), in collaboration with the ASEAN Business Advisory Council (ASEAN-BAC) Thailand, and the Asia-Pacific Financial Forum (APFF) of APEC Business Advisory Council (ABAC), with support from Bangkok Bank Public Company Limited and the Thai Bankers' Association, organized the "ABA Roundtable Discussion on Digital Trade Connectivity 2025" on Tuesday, 22 July 2025, at Chatrium Riverside Hotel, Bangkok. The event aimed to advance concrete regional cooperation on Digital Trade Connectivity (DTC) across ASEAN and have banks to actively engage as one of the crucial stakeholders in the DTC.

Digital trade is one of the key pillars under the ASEAN Digital Economy Framework Agreement (DEFA), which is scheduled to be concluded by end of 2025. DEFA seeks to enhance the region's economic capacity, strengthen its competitiveness in the global digital economy, and increase regional economic integration and connectivity.

While ASEAN has made significant progress in digital payments and cross-border digital payment connectivity, achieving end-to-end cross-border digital paperless trade transformation and connectivity continues to face critical challenges. These include large number and diversity of stakeholders, trade documents, laws and regulations both national level and regional level, trade processes, and regulatory environments that would enable digital trade documents and trade transactions.

The banking sector would play a pivotal role in bringing together stakeholders from both the public and private sectors to jointly agree on standards and guidelines and to develop digital paperless trade platforms with regional connectivity and interoperability. The Roundtable served as an important platform brainstorming in driving this agenda forward, focusing discussions on three key objectives:

- **Sharing Knowledge and Best Practices:** Providing updates on progress, approaches, and innovations in digital trade from ASEAN member states and international organizations.
- **Sector Engagement:** Reinforcing the role of banks as strategic partners in driving digital trade.
- **Strategic Cooperation:** Developing collaborative approaches among ASEAN banking associations to translate initiatives into tangible regional outcomes.

The opening and welcome remarks were delivered by Mr Paul Gwee, Secretary General of the ASEAN Bankers Association, and Dr Pichet Durongkaveroj, Executive Director of Bangkok Bank. The event featured special keynotes addressed by Mr. Satvinder Singh, Deputy ASEAN's vision for regional digital trade cooperation and Professor Wisit Wisitsora-at, Permanent Secretary of the Ministry of Digital Economy and Society of Thailand.



Throughout the day, speakers were from international organizations such as the ASEAN Secretariat, UNESCAP, ICC-DSI, DCSA, ADB, as well representatives from the United Kingdom, Singapore, Japan, and Malaysia. The event also featured roundtable discussions with members of the ASEAN Bankers Association on further strengthening collaboration on digital paperless digital trade connectivity.

Paperless digital trade is regarded as a critical mechanism under DEFA, serving as a priority strategy for ASEAN's

economic recovery and preparation for global competition in the digital economy. The overarching goal is to enable cross-border trade that is secure, transparent, paperless, and significantly improve in cost and time, and address issues on SME's inclusion in regional economy and supply-chain and access to finance, and sustainability. ■

FROM THE DESK OF THE SECRETARY GENERAL

Greetings to all from the Secretariat Office.

In the month of August, ASEAN celebrated its birthday – ASEAN Day, as it turns 58 on the 8th August, ahead of the national and independence days of Indonesia (their 80th), Malaysia (their 68th) and Singapore (their 60th). On ASEAN Day, member nations participate in various activities to promote regional solidarity and showcase ASEAN's achievements and objectives. This occasion has served as a vital platform to emphasise the significance of regional collaboration in addressing shared challenges and fostering economic growth and cultural understanding. From its humble and fragmented beginnings, it is now an enlarged and premier economic bloc in the global stage. This is largely due to the unceasing and tireless efforts as well as farsighted determination and thought leadership of our forefathers and its people.

At a projected annual growth rate of between 4.5% and 5.5% per year, ASEAN will overtake the economies of EU and Japan to become the 4th largest in the world by 2030 as mentioned in the updated report – "ASEAN Gears Up for Economic Transformation by 2030 through a new Strategic Plan – 2026 to 2030". Being blessed with favourable demographics of largely youthful and growing population of 680 million. The middle class in ASEAN is expected to more than double in size by end of this decade. The youthful and increasingly middle-class population is expected to drive the ASEAN's digital economy and making it one of the world's largest social media markets.

The ASEAN Bankers Association (ABA) is playing its part in continuing to push ahead with capacity building and collaboration within the digital and fintech ecosystems to prepare and embrace this next wave of digital economy through innovation and transformation whilst embracing the need for sustainable growth through greening the economy. Case in point, is our completion and publication of the Playbook on ASEAN Interoperable Data Framework (IDF) as well being posted on ASEC website. This is to facilitate users to have greater and easier access to the resources for managing the flow of data cross-borders which is vital for the digital economy. In this forthcoming Conference in November, we have also aptly focused on the theme - "Optimising Banking in a Digital Age: Successes and Challenges".

Our host, Myanmar Banks Association (MBA) for this year's Conference and Council Meeting has been hard at work and pulling all stops to make this a meaningful, memorable, and fruitful events. The meeting will be held at Novotel Hotel Max in Yangon, Myanmar, from 19 to 21 November 2025. I look forward to your valued presence and participation at the meetings and to a productive get together for the advancement of all our members and stakeholders in ASEAN. ■

Mr Paul C G Gwee

ABC 4TH CAMBODIA BANKING CONFERENCE 2025 SPOTLIGHT ON DIGITAL INNOVATION, SUSTAINABILITY, AND INCLUSIVE GROWTH



On 21 August 2025, The Association of Banks in Cambodia (ABC), with the support from the National Bank of Cambodia (NBC) and the ASEAN Bankers Association (ABA), hosted its 4th Cambodia Banking Conference on 19–20 August 2025 at Sokha Phnom Penh Hotel, Phnom Penh, Cambodia with the theme **“Unlocking Inclusive Growth: Digital Innovation and Sustainability.”**

The Conference was presided over by H.E. Kith Sovannarith, NBC Director General of Banking Supervision, Mr. Paul Gwee, ABA Secretary General; Mr. Rath Sophoan, ABC Chairman, Mr Raymond Sia, ABC Vice chairman, and Mr. Sharad Jain, Country Manager of Mastercard for Vietnam, Laos, and Cambodia.

This year’s conference convened more than 800 leaders, with 500 participating in person and 300 joining online. The participants included representatives from ASEAN Member States, telecommunications operators, financial institutions, government agencies, and policymakers. Distinguished experts from the government, financial institutions, World Bank, Asian Development Bank (ADB), International Labour Organization (ILO), and Women’s World Banking contributed their insights in key trends shaping the future of the banking sector.

NBC’s Director General of Banking Supervision, H.E. Kith Sovannarith, said unlocking inclusive and sustainable growth requires more than strategies, policies, and technologies; it demands active collaboration across government, private sector, civil societies, and international partners. He added that the pentagonal strategy provides us with a national

roadmap, NBC provides the industry roadmaps and supportive regulations, and to some extent platforms for financial innovation; while partnerships with the private sector translate these strategies into lasting changes for our people.

Addressing the participants, ABC Chairman, Mr. Rath Sophoan stated that the financial system today is complicated and always changing: financial technology (Fintech), digital currencies, decentralised finance, and environmental, social, and governance (ESG) banking. “This year’s conference highlights how Cambodia’s banking industry can leverage technology and sustainable finance to drive inclusive economic growth,” he said.

Mr. Paul Gwee, Secretary General of the ASEAN Bankers Association (ABA), said in his keynote address, that ASEAN is navigating a period of rapid transformation. Technology is reshaping the way we serve our customers; sustainability is redefining the way we measure progress, and inclusion is reminding us that growth must benefit everyone – “ASEAN Bankers Association remains committed to working with our Association’s members to promote cross-border collaborations, share best practices, and develop innovative solutions that address both local challenges and regional opportunities”, he said.

It is noted that the two-day conference aligned with National Financial Inclusion Strategies (NFIS) 2019/25, digital economy, and sustainable growth. It served as a collaborative platform for policymakers, industry leaders, and innovators to address key topics and build connections in the financial sector. Main discussions covered:



1

Cambodia's Economic Outlooks 2025 – US Tariffs, Cambodia's border tensions, the slowdown of global economic growth were components affecting Cambodia's export performance, and the slowdown in tourist arrivals. The stress was put to restore competitiveness, diversify markets, strengthen SMEs, promote digital transformation, improvements in business climate, and deepen ASEAN integration and seamless cross-border payments.

2

Sustainable Finance & ESG – Cambodia's progress on Sustainable Finance Taxonomy, ESG risk management, and climate risk frameworks. Balanced ESG regulations would drive green investments and economic growth. While NBC, the Ministry of Environment, and banks & financial institutions are working to advance in ESG and green lending, capacity building remains at the core in order to build an inclusive, resilient, and climate-smart financial ecosystem.

3

Cybersecurity & Future of Payments: cybersecurity risks were also flagged, with calls for proactive AI-driven responses to an increasingly complex threats and personalisation, the risks of misinformation, bias, privacy concerns, and a call for responsible use frameworks. Experts also emphasised the future of secure digital transactions, best practices, and industry collaborations.

4

Artificial Intelligence in the Banking sector: AI in banking can greatly enhance personalisation, efficiency, and customer trust, but it also carries risks related to information integrity and privacy. They

stressed the importance of vigilance in data use and called for collaborations amongst government, industry, and technology experts to ensure responsible AI with proper oversights and accountabilities.

5

Fraud Prevention – Fraud has evolved and is becoming very complex. It is not just financial losses, but it erodes trust from public and customers. A stronger digital literacy, vigilance, and industry cooperation are a-must.

6

Digital Wage Payments: this is to promote efficiency, transparency, and financial inclusion through better infrastructure, policies, and digital literacy.

7

Women & Inclusive Finance: Advocating for equitable access, gender-sensitive product innovation, data collection, and stronger public-private collaboration.

As highlighted by NBC's Director General of Banking Supervision, H.E. Kith Sovannarith: "together, we must first expand digital infrastructure, financial literacy, and consumer protection, so that every Cambodian can access finance equitably. Second, mobilising green finance to further accelerate sustainable development, and third, build trust and transparency in financial services, ensuring that innovation is safe, responsible, and inclusive." 



ESG AS LEADING INDICATORS OF HIGH PERFORMANCE

Author: Joanne Flinn, Chair, the ESG Institute, Singapore

ESG AS LEADING INDICATORS OF HIGH PERFORMANCE:

A Strategic Risk Assessment Framework for ASEAN Banks

The traditional approach to Environmental, Social, and Governance (ESG) assessment in banking has largely focused on compliance and box-ticking exercises. However, groundbreaking research from NYU Stern's Center for Sustainable Business reveals that ESG, when properly applied as a framework, serves as powerful leading indicators of corporate financial performance and systemic resilience. For ASEAN central banks and commercial banks managing portfolios in one of the world's most climate-vulnerable regions, this represents a fundamental shift from viewing ESG as a regulatory burden to embracing it as a critical tool for financial system stability, strategic risk management and long term value creation.

The Evidence Base: ESG as Performance Predictor and Resilience Indicator

NYU Stern's comprehensive meta-analysis of over 1,000 studies published between 2015-2020 demonstrates that 58% of corporate studies found positive relationships

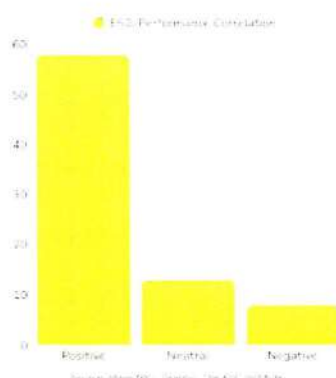
the research reveals that ESG investing provides crucial downside protection during social or economic crises – precisely the kind of systemic resilience central banks seek to foster. During the first quarter of 2020 COVID downturn, 24 of 26 ESG index funds outperformed their conventional counterparts, suggesting that ESG-aligned enterprises demonstrate superior crisis resilience.

The research identifies six key insights directly relevant to monetary policy and financial system oversight. ESG-aligned companies exhibit improved financial performance over longer time horizons, enhanced innovation capacity, and more robust risk management frameworks. These characteristics translate into greater economic resilience at both institutional and systemic levels, supporting central banks' dual mandate of price stability and financial system soundness.

The ASEAN Context: Building Regional Financial Resilience

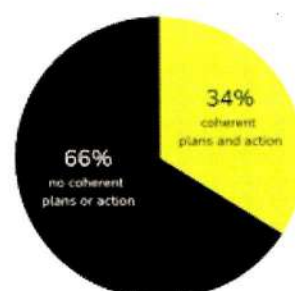
ASEAN's unique position as both economically dynamic and environmentally vulnerable makes ESG assessment particularly critical for maintaining regional financial stability. The Stockholm Resilience Centre's latest planetary boundaries framework reveals that six of nine critical Earth system boundaries are now transgressed, creating systemic risks that could cascade through interconnected ASEAN economies. For central banks with mandates extending to financial system stability and economic development, these environmental pressures represent potential sources of financial contagion that traditional risk models may inadequately capture.

ESG as Leading Indicator for High Performance



between ESG performance and operational metrics such as ROE, ROA, or stock price, with only 8% showing negative relationships. From a financial system stability perspective,

ASEAN ESG Readiness Gap: Systemic Risk Indicator



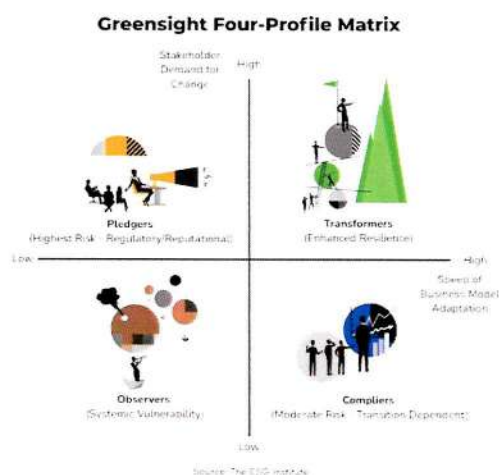
*Based on data from 2019, as of 2020, the data is not available for all ASEAN countries.

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Recent data from the ESG Institute Singapore's longitudinal study reveals significant vulnerabilities in regional economic resilience. Among 395 business leaders surveyed in 2023, only 34% have implemented substantive action plans aligned with net-zero or regenerative goals. This preparedness gap represents a systemic risk – organizations without coherent adaptation strategies face increasing exposure to regulatory shifts, supply chain disruptions, and market access restrictions that could undermine broader economic stability.

Beyond Compliance: The Greensight Maturity Framework

Traditional ESG scoring often fails to capture the dynamic nature of organizational transformation and stakeholder pressure. The Greensight framework, detailed in "Greensight: The Sustainability Guide for Company Directors," provides a more nuanced assessment approach based on two critical dimensions: cumulative stakeholder demand for change and organizational speed of adaptation to business model challenges.



This framework identifies four distinct organizational profiles that serve as risk indicators for banking portfolios:

Observers occupy the lower-left quadrant – organizations perceiving minimal stakeholder pressure and limited business model threats. While this might appear low-risk, these entities face significant vulnerability if they lack proven capacity for rapid response. Given the accelerating pace of climate, technological, and regulatory change, observers represent a high-risk category for medium-term lending.

Pledgers in the upper-left quadrant present perhaps the highest risk profile. These organizations make public commitments to sustainability goals but implement minimal substantive action. With increasing regulatory scrutiny and customer demands for proof points, pledgers face exposure to regulatory fines, market access restrictions, and reputational damage that can cascade to their financial partners.

Compliers in the lower-right quadrant understand business model pressures and implement plans with sufficient pace to achieve stated goals within required timeframes. These organizations represent moderate risk but require ongoing

monitoring to ensure transformation pace matches escalating external pressures, particularly given three-year horizons for significant regulatory implementation.

Transformers in the upper-right quadrant recognize substantial stakeholder demands and business model changes while implementing coherent plans with demonstrated progress. This category subdivides into two types: organizations transforming toward net-zero compliance and those designing for regenerative business models. Both represent lower risk profiles for banking partnerships.

Strategic Implications for ASEAN Central Banks and Commercial Banks

This framework enables both central banks and commercial banks to move beyond simple ESG scoring toward dynamic risk assessment that considers both current positioning and adaptive capacity. From a monetary policy perspective, understanding the ESG resilience profile of key economic sectors provides valuable intelligence for assessing inflation pressures, employment stability, and growth sustainability.

For commercial banks, three strategic advantages emerge:

Systemic Risk Mitigation and Market Access Preservation:

With EU regulations and North Asian markets increasingly requiring ESG credentials, the framework provides forward-looking indicators of borrowers' ability to maintain market access and contribute to regional economic stability. Organizations in observer or pledger categories face increasing risk of exclusion from premium markets, potentially creating localized economic disruptions that could affect broader financial stability.

Climate Transition and Macroeconomic Resilience:

ASEAN's high exposure to physical climate risks makes transition preparedness critical for economic resilience. The framework's emphasis on adaptation speed helps identify which sectors and enterprises are likely to thrive versus struggle as climate impacts intensify, supporting both individual bank portfolio decisions and central bank assessment of sectoral vulnerabilities.

Financial System Stability Through Multi-Stakeholder Integration:

Unlike single-metric ESG scores, the framework captures complex interactions between environmental pressures, social expectations, and governance capabilities. This holistic approach supports institutional performance while also supporting central banks' financial stability mandate while providing commercial banks with actionable portfolio management insights that enhance overall system resilience.

Regulatory Alignment and Competitive Advantage

The Bank for International Settlements has intensified focus on climate-related financial risk transparency, with the Basel Committee developing a voluntary Pillar 3 disclosure framework for climate-related financial risks and Project Gaia utilizing AI to extract climate-related indicators from corporate

Continued from page 7

reports at scale. ASEAN banks implementing sophisticated ESG assessment frameworks position themselves ahead of these regulatory developments while building capabilities that create competitive advantages.

The BIS emphasis on harmonized metrics despite heterogeneity across jurisdictions aligns perfectly with the Greensight framework's focus on organizational capacity rather than specific compliance metrics. This approach enables consistent assessment across ASEAN's diverse regulatory environments while maintaining relevance to global standards.

Implementation Recommendations for Central Banks and Commercial Banks

For central banks, ESG maturity assessment can enhance financial stability monitoring through macro-prudential surveillance of sectoral ESG resilience, integration into stress testing frameworks, and development of early warning indicators for climate-related financial risks. Central banks should consider incorporating ESG maturity metrics into their assessment of systemic risk concentration and financial system resilience.

Commercial banks should integrate ESG maturity assessment into credit evaluation and portfolio monitoring processes through several mechanisms:

Credit Assessment and Systemic Risk Integration:

Incorporate stakeholder pressure and adaptation capacity metrics into traditional credit scoring while contributing to financial system resilience through better risk pricing. Pay particular attention to borrowers' positioning relative to regulatory timelines and market evolution that could affect broader economic stability.

Portfolio Stress Testing and Resilience Building: Use the framework to model portfolio resilience under various climate transition and stakeholder pressure scenarios, identifying concentration risks in observer and pledger categories that could contribute to systemic vulnerabilities.

Active Engagement and System Strengthening: Develop differentiated support offerings that help move borrowers from higher-risk to lower-risk categories, creating value while building more resilient local economies that support overall financial system stability.

Conclusion: Building Financial System Resilience Through Strategic ESG Integration

The convergence of robust academic evidence, regulatory evolution, and regional vulnerability creates an unprecedented opportunity for ASEAN central banks and commercial banks to transform ESG from compliance burden into a cornerstone of financial system resilience. The NYU Stern research demonstrates that ESG metrics, properly applied, predict both financial performance and crisis resilience – qualities essential for maintaining stable, sustainable economic growth.



Central banks that integrate ESG maturity assessment into their financial stability frameworks will gain enhanced capacity to identify emerging systemic risks and support regional economic resilience. Commercial banks that embrace sophisticated ESG capabilities will build sustainable competitive advantages while contributing to the fundamental stability of the financial systems they serve.

In a region facing existential environmental challenges and unprecedented economic opportunities, the ability to identify, assess, and nurture truly sustainable enterprises becomes not just sound banking practice, but essential for building resilient financial systems capable of supporting long-term prosperity.

The question for ASEAN financial leaders is no longer whether to integrate sophisticated ESG assessment, but how quickly they can build these capabilities to strengthen both individual institutions performance and regional financial stability.

The path forward is clear: ESG is not merely about environmental compliance or social responsibility – it is about building the adaptive capacity and systemic resilience that modern economies require to thrive in an era of accelerating change. ■

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ASEAN DAY CELEBRATION

TOWARDS INCLUSIVE & SUSTAINABLE ASEAN FUTURE

Source: ASEAN Secretariat website

ASEAN commemorated its 58th Anniversary on 8 August with a significant celebration highlighting theme of **“Towards an Inclusive and Sustainable ASEAN Future.”** The commemoration, which featured a morning ceremonial programme and an open-house format in the afternoon, took place at the ASEAN Secretariat/ASEAN Headquarters in Jakarta, bringing together the diplomatic corps of Jakarta, cultural talents, and various stakeholders to highlight ASEAN's enduring commitment to its people and the planet.

The morning ceremony featured remarks from Dr. Kao Kim Hourn, Secretary-General of ASEAN, and a pre-recorded message delivered by the Honourable Anwar Ibrahim, Prime Minister of Malaysia and Chairman of ASEAN this year. There were also captivating performances showcasing the rich tapestry of ASEAN cultures, with a special focus on talents from inclusive societies, including individuals with disabilities and those on the autism spectrum.

As part of the ASEAN Day celebration, Secretary-General Dr. Kao will also officiate the commencement of the official operation electric vehicles (EVs) and charging stations, funded by the ASEAN-Korea Cooperation Fund (AKCF). The initiative is part of an AKCF-funded project aimed at strengthening the operational capacity of the ASEAN Secretariat/Headquarters by adopting energy-efficiency technologies.

Beyond the formal proceedings, the 58th Anniversary will offer a vibrant afternoon of activities, including the ASEAN Food Festival, which will display a diverse array of the region's culinary heritage, and an Exhibition on Inclusive & Sustainable Products/Practices, demonstrating innovative approaches to a greener future. Complementing this, a Panel Discussion and Workshop on Sustainability Products will explore “Living a Sustainable Life,” featuring practical sessions with sustainable businesses from the region. These include Setali, Demi Bumi, DuAnyam, Sirsak.co, and Maybank Foundation.

At the same time, the 58th ASEAN Day was also celebrated and observed at the World Expo 2025 in Osaka, Japan, led by the Deputy Secretary-General of the ASEAN Economic Community, Satvinder Singh, with expected attendance of representatives from all ASEAN Member States (AMS), Timor-Leste, Dialogue Partners, ASEAN Entities and Centres of Excellences (COEs). One notable highlight of the day is the marching parade, which comprises, among others, pavilion representatives from all AMSs, Timor-Leste, the ASEAN Secretariat, and other ASEAN organs. This is also the first time that ASEAN Day has been commemorated in the history of the World Expo.

One much-anticipated event in Osaka on August 8, 2025, was the cultural music performance by C asean Consonant, a traditional ensemble composed of ten members playing one national musical instrument from each ASEAN Member State. The C asean Consonant has, over the years, collaborated with the Jakarta-based ASEAN Secretariat/ASEAN Headquarters to enhance regional diplomacy and cultural exchange on numerous notable occasions, including during ASEAN's golden jubilee in 2017 and the then-new ASEAN Secretariat building inauguration in 2019. In addition to the scheduled ASEAN Day performance on 8 August 2025 in Osaka, the C asean Consonant would also be playing at the various ASEAN Member States' national pavilions.

The commemoration of the 58th ASEAN Day this year, held concurrently in Osaka and Jakarta, underscores ASEAN's commitment to peace and cooperation beyond the region, particularly through its collaboration with Japan, a valued dialogue partner. This is also part of the ASEAN Secretariat's outreach and advocacy in bringing ASEAN closer to the people in the community. **E**

ASEAN GEARS UP FOR ECONOMIC TRANSFORMATION BY 2030 THROUGH A NEW STRATEGIC PLAN

Source: ASEAN for Business Bulletin

AEC Strategic Plan 2026–2030

Developed through careful deliberations among AEC Sectoral Bodies and informed by insights gathered from the takeaways of the AEC Blueprint 2025 implementation, consultations with 315 representatives from businesses, academia, civil society organisations, international organisations, External Partners, and parliamentarians throughout 2023–2024, as well as a survey of 7,568 public respondents across ASEAN.

6 Strategic Goals

44 Objectives

192 Strategic Measures



With a combined GDP exceeding USD 3.9 trillion and a population of over 680 million¹, ASEAN is rapidly emerging as a major global economic force and aspires to become the world's fourth-largest economy by 2030. ASEAN's economic weight is also reflected in its role as a key player in global trade and investment: ASEAN is now the third largest trading powerhouse, with total trade reaching USD 3.8 trillion, of which around 21.4 per cent is intra-ASEAN trade, underscoring the region's deepening economic integration. Meanwhile, total foreign direct investment (FDI) inflows into ASEAN reached USD 226.0 billion in 2024, with intra-regional investment accounting for 13.9 per cent, making it the second largest component of total FDI after extra-regional partners².

Yet despite this momentum, ASEAN stands at a critical juncture. The global economic landscape is being reshaped by rising geopolitical tensions, rapid technological disruption, climate risks, and mounting pressure for sustainable and inclusive growth.

To overcome the challenges and realise this ambition, ASEAN has adopted the **ASEAN Economic Community (AEC) Strategic Plan 2026–2030**, which offers a comprehensive and forward-looking framework to advance ASEAN's economic integration. Structured around **6 strategic goals**, **44 objectives**, and **192 targeted measures**, the Strategic Plan focuses sharply on several key priorities such as regulatory harmonisation, enhanced regional connectivity, and improved competitiveness in critical sectors like

services and manufacturing. This Strategic Plan builds upon the momentum set by the AEC Blueprint 2025, which contributed to a 5% increase in GDP growth or equivalent to USD 1.1 trillion in additional output, an 8% rise in foreign direct investment or USD 104 billion additional inflows, an 11% boost in trade or equals to USD 3.3 trillion, and the creation of approximately 4 million new jobs³. These figures reflect notable economic gains and underscore why the new Strategic Plan must sustain and accelerate this trajectory.

Vibrant Priorities for a Dynamic Region

While broad in scope, the Strategic Plan maintains a sharp focus on ASEAN's dual ambition: to consolidate the region internally as a single market and production base, and to strengthen its global position as a competitive and reliable economic partner. It outlines coordinated efforts to boost trade in goods and services, attract investment, deepen financial integration, and facilitate the movement of businesses and people. Designed with adaptability at its core, the Strategic Plan embodies a dynamic and forward-looking agenda. In a significant shift from longer planning cycles, the Strategic Plan adopts a five-year timeframe to enable more agile and responsive policy action. This allows ASEAN to better anticipate emerging challenges and seize opportunities as they arise, ensuring its strategies remain timely, high-impact, and relevant.

Continued from page 10

Ensuring Effective Implementation and Governance

A central feature of the Strategic Plan is its emphasis on good governance, transparency, and regulatory coherence, essential for building a predictable and business-enabling environment. The Strategic Plan reaffirms ASEAN's commitment to strengthen coordination within and beyond the AEC Pillar, enabling more coherent policy responses to issues such as supply chain resilience, energy security, and labour mobility. To ensure meaningful outcomes, a results-based monitoring is currently being developed, featuring contextual and practical outcome indicators to track the Strategic Plan's key objectives. Among these outcome indicators include GINI coefficient and various environmental, social, and governance (ESG) metrics, vital for responding to the evolving needs of the region's expanding middle income population and their consumption patterns. This comprehensive set of indicators is scheduled for release in October 2025 which will play a crucial role in charting ASEAN's collective efforts—not only in advancing regional prosperity and economic growth, but also in shaping a more equitable future for its peoples. Recognising that implementation success depends on strong institutions, ASEAN will reinforce coordination across the ASEAN Political-Security and Socio-Cultural Community pillars and align efforts with regional initiatives such as ASEAN Connectivity. Partnerships and resource mobilisation will also be pursued to support effective delivery.

The AEC Strategic Plan 2026–2030 brings a renewed promise of a more integrated, efficient, and competitive business environment across ASEAN. For businesses operating in the region, it aims to reduce trade barriers, harmonise technical standards, and simplify cross-border procedures, all of which translate to lower operational costs and faster market access. Not just for large corporations, micro, small, and medium enterprises (MSMEs), which form the backbone of ASEAN's economy, also stand to benefit from improved access to finance, expanded regional markets, and targeted support to scale up and internationalise. These measures not only level the playing field but also strengthen the resilience and agility of local businesses. Simultaneously, with sustainability and digitalisation at the heart of the Strategic Plan, it opens new

opportunities for businesses to adopt green technologies, embrace circular economy models, and scale digitally their operations through e-commerce and digital platforms. Furthermore, stronger cooperation in intellectual property rights and fair competition policies will also foster innovation and create a level playing field for businesses across ASEAN. Businesses will also benefit from the Strategic Plan's commitment to advancing Free Trade Agreements (FTA) between ASEAN and external partners, including the Regional Comprehensive Economic Partnership Agreement (RCEP) and efforts to strengthen the multilateral trading system under the World Trade Organisation (WTO), which will facilitate greater market access and freer movement of skilled professionals both within and beyond the region. These efforts not only deepen ASEAN's trade and investment ties with key partners but also create more opportunities for businesses, particularly ASEAN-based enterprises, to integrate into global value chains. By aligning regional frameworks with global trade norms, the Strategic Plan enhances labour mobility, fosters cross-border collaboration, and positions ASEAN as a competitive and connected hub for global commerce.

A Strategic Invitation to Co-Create ASEAN's Future

The AEC Strategic Plan 2026–2030 is more than a policy document, it is an invitation for businesses to take part in shaping ASEAN's next chapter. By aligning regional ambitions with global trends, it offers a clear and collaborative roadmap for public-private partnerships to flourish. For businesses, the launch of the Strategic Plan sends a clear message, that ASEAN is open for business, committed to reform, and ready to grow together with the private sector toward a future that is sustainable, inclusive, and globally competitive. ■

Footnotes:

¹ ASEAN Statistics, as of July 2025

² ASEAN Statistics, as of July 2025

³ Impact Assessment of the AEC 2025

CALENDAR OF EVENTS

PROGRAMMES	DATE	VENUE	HOST/ORGANISER/SUPPORTING ORGANISATION
4th Cambodia Banking Conference – “Unlocking Inclusive Growth: Digital Innovation & Sustainability”	19 – 20 August 2025	Sokha Phnom Penh Hotel, Phnom Penh, Cambodia	The Association of Banks in Cambodia –and ASEAN Bankers Association (ABA)
ASEAN IRR Study Tour 2025	28 – 29 August 2025	Hong Kong	The Association of Banks in Malaysia– (Chair of IRR - ABM), and ASEAN Bankers Association (ABA)
24th ASEAN Banking Conference and 53rd ASEAN Banking Council Meeting	19 – 21 November 2025	Yangon, Myanmar	Myanmar Banks Association (MBA) and ASEAN Bankers Association (ABA)



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LETTERS TO THE EDITOR

As part of our aim to promote regional exchange of ideas and information, ASEAN Banker hopes to open a dialogue on issues of importance to our readers. We invite your comments on the stories presented in these pages and welcome articles of relevance to ASEAN Banking. All letters must be signed and include an address with contact telephone or fax number. Letters may be addressed to Mr Paul C G Gwee, Secretary General of ABA.

For advertisement bookings and correspondence, please contact



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ABOUT ASEAN BANKERS ASSOCIATION

The ASEAN BANKERS ASSOCIATION was founded in 1976. From the original five members, namely Indonesia, Malaysia, Philippines, Singapore and Thailand, it became six when Negara Brunei Darussalam joined as a member in 1984. In 1995, Vietnam was admitted into ASEAN as the seventh member and in May 1999, Cambodia was admitted as the eighth member. In July 2001, Myanmar was admitted as the ninth member. In 2004, Lao Bankers' Association was admitted as the tenth member thus making the constituent membership of the Association complete.

TODAY THE MEMBERS ARE:

The Brunei Association of Banks

The Association of Banks in Cambodia

Indonesian Banks Association (PERBANAS)

Lao Bankers' Association

The Association of Banks in Malaysia

Myanmar Banks Association

Bankers Association of the Philippines

The Association of Banks in Singapore

The Thai Bankers' Association

Vietnam Banks Association

OBJECTIVES OF THE ASSOCIATION ARE:

- to raise the profile of ABA and the ASEAN banking community;
- to strengthen the 'voice' of ASEAN in policy advocacy efforts globally or regionally;
- to contribute to the ASEAN Economic Community (AEC), provide private sector support in alignment with AEC's goal;
- to share banking 'know-how', provide education to promote best-in-class banking practices amongst members countries; and
- to promote active collaboration of ASEAN banking institutions, foster friendship and cooperation amongst bankers.

PRINCIPAL ORGANS OF THE ASSOCIATION

ASEAN BANKING COUNCIL (ABC). The Council, being the executive arm of the Association, meets annually to formulate policies and coordinate activities of the Association which are carried out and implemented through the various Committees.

THE THREE PERMANENT COMMITTEES

which discuss ideas and make recommendations to the Council are:

- Permanent Committee on Cooperation in Finance, Investment, Trade and Technology (COFITT) chaired by The Association of Banks in Singapore.
- Permanent Committee on Banking Education chaired by the Bankers Association of the Philippines.
- Permanent Committee on ASEAN Inter-Regional Relations (IRR) chaired by The Association of Banks in Malaysia.

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