2025 Southeast Asia Fossil Fuel Divestment Scorecard

1.5°C

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ENERGY SHIFT
Southeast Asia

CELIOS
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KRuHA
koalisi rakyat untuk hak atas air
people's coalition for the right to water

RIMBAWATCH

WALHI
Wahana Lingkungan Hidup Indonesia

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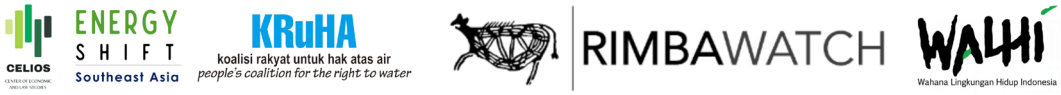

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This report is endorsed by the following organizations:

BankTrack
Climate Action Network Southeast Asia (CANSEA)
Power for People Coalition (P4P)
Rainforest Action Network
ReCommon
Reclaim Finance
Urgewald

This report is available at https://ceedphilippines.com.

MESSAGE FROM THE EXECUTIVE DIRECTOR

As Malaysia hosts the ASEAN chairmanship this 2025, with the Philippines set to follow, the region faces a critical window of opportunity. The coming ASEAN conferences present a pivotal moment for governments, civil society, and financial institutions to take decisive action on the escalating climate crisis and the urgent need for sustainable development. This year's inaugural Southeast Asia Fossil Fuel Divestment Scorecard was developed as a tool to support these efforts, providing stakeholders with data and analysis to drive just and people-centered change.

Despite ASEAN's stated ambitions for inclusivity and sustainability – reflected in Malaysia's chairmanship theme and the ASEAN Community Vision 2025 – there remains a troubling disconnect between policy and practice. Nowhere is this more evident than in the Coral Triangle, where fossil fuel expansion continues to threaten coastal communities' livelihoods, food security, and the public health through habitat destruction, water pollution, and frequent oil and coal spills.

The 2025 Southeast Asia Fossil Fuel Divestment Scorecard assessed 35 major banks' financing and climate policies across the region. International and domestic banks continue to finance new coal and gas projects, undermining food security, biodiversity, and the health of millions. Banks from Japan, China, South Korea, the United Kingdom, and the United States have played a significant role in financing fossil fuel expansion in Southeast Asia since 2016, with Japanese banks being the largest contributors, especially for gas projects. While support from some foreign banks for coal has declined, these financial institutions remain among the top financiers for gas, and some retain shareholdings in domestic coal developers. This underscores the urgent need for climate justice and equitable climate finance, as those least responsible for the climate crisis continue to bear its greatest burdens.

Leading domestic banks, as identified by the scorecard – including those from Indonesia, Malaysia, and Thailand – also rank among the largest financiers of coal and gas projects in the region. Given the region's climate vulnerability, it is critical for domestic banks to do their part in phasing our fossil fuels and denying further debt for fossil fuel expansion. Yet, many of these banks still lack exclusion policies or clear commitments to phase out fossil fuel financing.

This persistent gap between policy and practice risks locking Southeast Asia into decades of fossil fuel dependence, jeopardizing regional climate targets and the aspirations of the ASEAN Community Vision 2025.

The urgency of this moment is heightened by a global milestone: 2025 marks the tenth anniversary of the Paris Agreement, a landmark in global climate action. In addition, the upcoming UN Ocean Conference in Nice, France will provide a crucial forum for advancing ocean governance and sustainable development. These events serve as crucial avenues for ASEAN and its stakeholders to raise ambitions and translate commitments into action.

As Southeast Asia stands at this crossroads, the message is clear: financial institutions, both international and domestic, must halt new fossil fuel investments and redirect finance toward renewable energy at the scale demanded by the climate crisis. Anything less will entrench the region in a cycle of escalating disasters, broken promises, and irreversible environmental destruction. ASEAN ambitions must now be matched by absolute action, and the time to act is NOW; further delay will only deepen the costs for future generations.

Gerry Arances
Executive Director
Center for Energy, Ecology, and Development

MESSAGES FROM CO-PUBLISHERS AND ENDORSERS

"Banks are still financing the climate crisis while underestimating the impact on financial risk and threatening people's quality of life. This scorecard is a form of assessment of the poor practices of financial institutions and we will continue to monitor every financial institution policy and report it to the public. They need to changes before its too late."

–Bhima Yudhistira Adhinegara, Executive Director of Center of Economic and Law Studies (CELIOS)

"The scorecard indicates that Japan remains the largest investor in fossil fuels in Southeast Asia, financing not only coal but also other fossil fuel projects. Furthermore, several Indonesian state-owned banks lack a clear pathway for divesting from coal, aligning with a government policy that suggests a continued reliance on coal."

–Dwi Sawung, Manager of Infrastucture and Spatial Planning of Wahana Lingkungan Hidup Indonesia (WALHI)

"At the same time that a changing climate is already threatening agriculture and food security, dramatically increasing health risks and putting millions of lives at risk in Southeast Asia, banks keep pouring billions into fossil fuels instead of acting urgently and decisively on protecting present and future generations from climate chaos. I dream of a post-fossil banking world, and this report shows that it is really up to us - a mass movement of mobilized people - to make it happen. Fossil banks, no thanks!"

–Diogo Silva, Banks and Climate Campaign Lead of BankTrack

"The Southeast Asia Fossil Fuel Divestment Scorecard reveals how public and commercial banks are complicit in financing dirty and dangerous fossil fuel projects in the region. CEED's scorecard shows that European banks are part of the problem. 3 European banks are among the top 10 international financiers for gas projects in Southeast Asia: ING from the Netherlands, UBS from Switzerland, and Standard Chartered from the UK."

–Katrin Ganswindt, Finance Research Head of Urgewald

"Southeast Asia is at an important crossroads for energy, and has a unique opportunity to transition towards just clean energy. This report shines a light on how many global banks are continuing to pour money into coal and gas expansion in the region and are perpetuating a vicious cycle of climate chaos."

-Aditi Sen, Senior Energy Finance Campaigner of Rainforest Action Network (RAN)

EXECUTIVE SUMMARY

Southeast Asia covers a large expanse of marine waters, and its rich biodiversity and resources supports millions of people's livelihoods and, most importantly, food security. But the region is facing threats with the growing fossil fuel industry in the countries.

Despite the urgency for a coal phase out to still have a chance at minimizing global warming, the region still plans to expand its coal fleet by at least 42.8 gigawatts. Sans any hint of giving up coal any time soon, another fossil fuel is washing ashore the coasts of Southeast Asia. About 135.6 GW of gas plants are in development in the region, alongside 97.6 million tonnes per annum of export and import terminals.[1]

Continued buildout, operation, and emission of planet-heating gases lead to worsening climatic conditions. At the same time, the infrastructure of these fossil fuels, mainly near the coasts, increases the risks of oil or coal spills, pollutes the waters, damages habitats, and interrupts the livelihoods and health of communities.

As climate impacts become more and more palpable around the world, public and private institutions, driven by government climate commitments, have started aligning themselves with the global goal of keeping global warming below 1.5°C. Among these institutions is the finance sector, which, recognizing their enabling character to the fossil fuel industry, formed networks and alliances aimed to contribute to the Paris Agreement.

1 "Southeast Asia at a Crossroads: Deterring SEA's Fossil Future with Renewables" (Center for Energy, Ecology, and Development, November 2024), https://ceedphilippines.com/southeast-asia-at-a-crossroads-deterring-seas-fossil-future-with-renewables/?_thumbnail_id=5121.

While some of the banks eventually pulled out from these networks due to United States President Donald Trump's reversal of the country's climate commitments and policies, other financial institutions, including those in Southeast Asia, have also developed their own policies.

Climate policies of the banks range from stopping coal financing to aligning with standard climate-related disclosures. Despite these restrictions and pledge to increase sustainability finance, however, some of these firms continue bankrolling the fossil fuel industry in the region.

This report, the first of its kind in Southeast Asia, assessed the climate policies and downstream coal and gas project financing of the 35 banks with the biggest coal and gas plants exposure in the region, showing the financing institutions behind fossil fuel expansion in Southeast Asia.

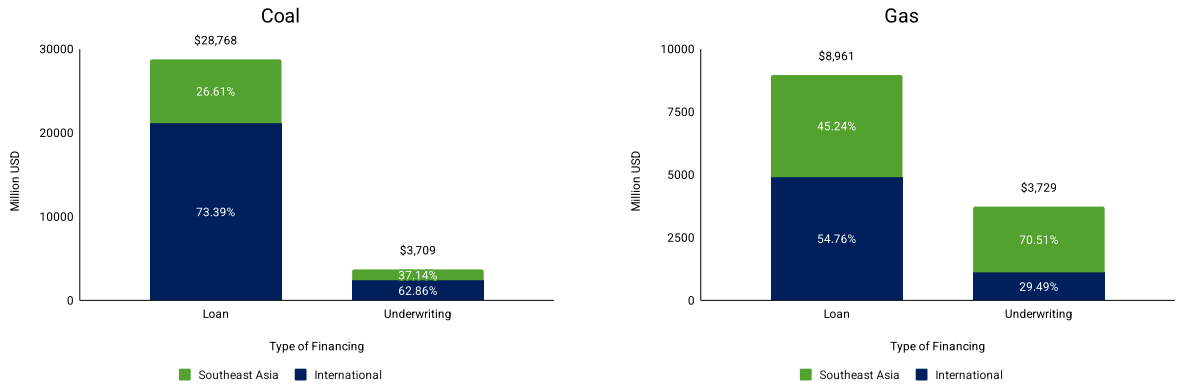
Banks' policies, or lack thereof, are scored according to different criteria, including coal and gas financing exclusion, coal and gas financing phaseout, funding for climate mitigation and adaptation efforts, and financing target for renewable energy, among others. Meanwhile, the cumulative project financing for downstream coal and gas from the start of the Paris Agreement in 2016 to 2024 is also considered for the overall scoring and ranking of the banks. Banks in the top ranks are considered the "dirtiest"–they have the highest financing for coal and gas, and lack policies material enough to actually curb their fossil fuel financing and align with the 1.5°C goal.

International banks provided the majority of fossil fuel financing to Southeast Asia from 2016 to 2024, with their support for coal dwindling, and support for gas picking up.

- Since the effectivity of the Paris Agreement in 2016 until 2024, a total of USD 45.167 billion was funneled by international and domestic banks to downstream coal and gas project financing in the region. Of this amount, 65.1% came from foreign financing institutions. Majority of the amount–71.9%–went to coal, with the rest going to gas.
- Coal project financing in Southeast Asia reached a total of USD 32.477 billion, which only went to the Philippines, Indonesia, and Vietnam–the countries with the biggest commissioned coal capacity since 2016. Notably, Indonesia and the Philippines were pilots of the early coal retirement program by the Asian Development Bank which sought to terminate early the lifespan of at least one power plant in each country.
- International financiers, especially those with exclusion policies, that historically supported coal expansion in the region have stopped financing projects in the region, resulting in decreasing foreign funding since 2017. Some of them, however, remain shareholders of domestic coal financiers and developers, such as Japan's SMBC, Mizuho, and MUFJ.
- With fewer support from foreign institutions, domestic banks shouldered the financing for coal projects.
- Project financing for downstream gas, meanwhile, had a cumulative USD 12.690 billion some of which went to the Philippines, Malaysia, Indonesia, Singapore, and Vietnam. But almost half of this amount went to Thailand, which commissioned the biggest gas capacity in Southeast Asia since 2016 up to last year.
- From 2018 to 2022, Southeast Asian banks were the main project financiers of gas, but in 2023 and 2024, foreign banks were the significant source of financing for the fossil fuel.
- Among the banks from at least 13 nations outside of the region supporting coal and gas in Southeast Asia, Japanese financiers have had the most contribution, with around 31% of the total financing for fossil fuels coming from them. This despite the country's commitment with the G7 to phase out unabated coal generation by 2035, and a dwindling demand for gas. To keep its coal and liquified fossil gas companies afloat, Japan is boosting its coal technologies and excess LNG supplies in other countries instead.

- Other foreign financiers to the region's fossil fuel expansion come from China, South Korea, the United Kingdom, and the United States, among others.
- Domestic financiers of fossil gas plants, meanwhile, mainly fund their own industries.
- Overall, project financing for downstream coal and gas mainly took on the form of loans. For fossil gas, Southeast Asians provided more underwriting services compared to foreign banks.

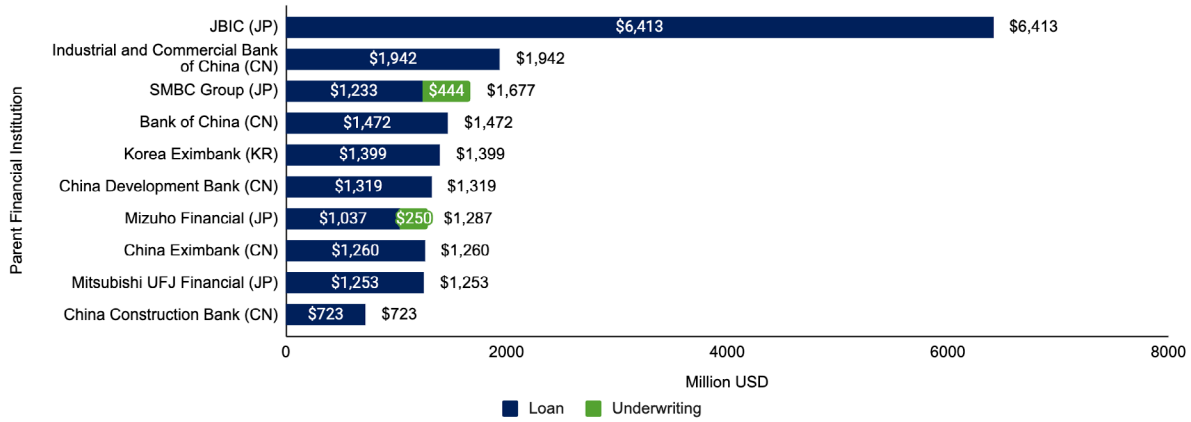
ES-Figure 1. How did financiers provide support to fossil fuels in the region? Downstream coal and gas financing, by source and type, 2016 to 2024 (in USD million)



The Japan Bank for International Cooperation (JBIC) is the dirtiest foreign financier in Southeast Asia.

- JBIC's financing for both coal and fossil gas power plants are the highest compared to other international banks, and even against Southeast Asian banks. JBIC's high score is also attributable to its limited policies–for one, its coal exclusion policy only covers unabated coal. The bank also failed to set any timeline to phase out its coal and gas financing.
- JBIC's policies and investment decisions are significant signals to other Japanese financiers. Data shows that projects supported by JBIC are also financed by megabanks, with the former possibly co-financing to reduce risks. Among the projects co-financed, for example, by SMBC and JBIC is the development of the 1,200-MW Nghi Son 2 Coal Power Plant in Vietnam, which is developed by KEPCO. Meanwhile, one of the plants financed by Mizuho, and also supported by JBIC, is the 2,500-MW gas power plant in Thailand being developed by Gulf.
- JBIC's aggression in supporting coal and gas in the region clearly reflects Japan's strategy to secure its energy and economic interests. Facing dwindling demand in their home country, Japanese gas and power firms look to selling surplus supply abroad, particularly in Southeast Asia. Likewise, the country, through the Asia Zero Emission Community, has been promoting its fossil fuel-based technology, such as ammonia and coal co-firing and fossil gas, as either transition fuels or clean energy.

ES-Figure 2. Total downstream coal project financing by international financing institutions, 2016 to 2024 (in USD million)



East Asian banks dominate rankings for massive coal plant project financing amid lacking coal exclusion policies.

- Banks from China, South Korea, and Japan are the biggest contributors to coal expansion in Southeast Asia. Some of the financiers from China and South Korea have policies that prohibit overseas coal financing, mainly following government pronouncements. Three Chinese banks assessed, however, failed to reflect in their own policies the government's announcement of ceasing support for foreign coal–China Construction Bank, Industrial and Commercial Bank of China, and the China Development Bank.
- The other Japanese megabanks included in the rankings, SMBC, Mizuho, and MUFJ, have coal policies and target to phase out coal financing by 2040. However, in the past weeks, the three banks withdrew from the United Nations-backed Net-Zero Banking Alliance.

ES-Table 1. Overall Score for International Coal Financiers

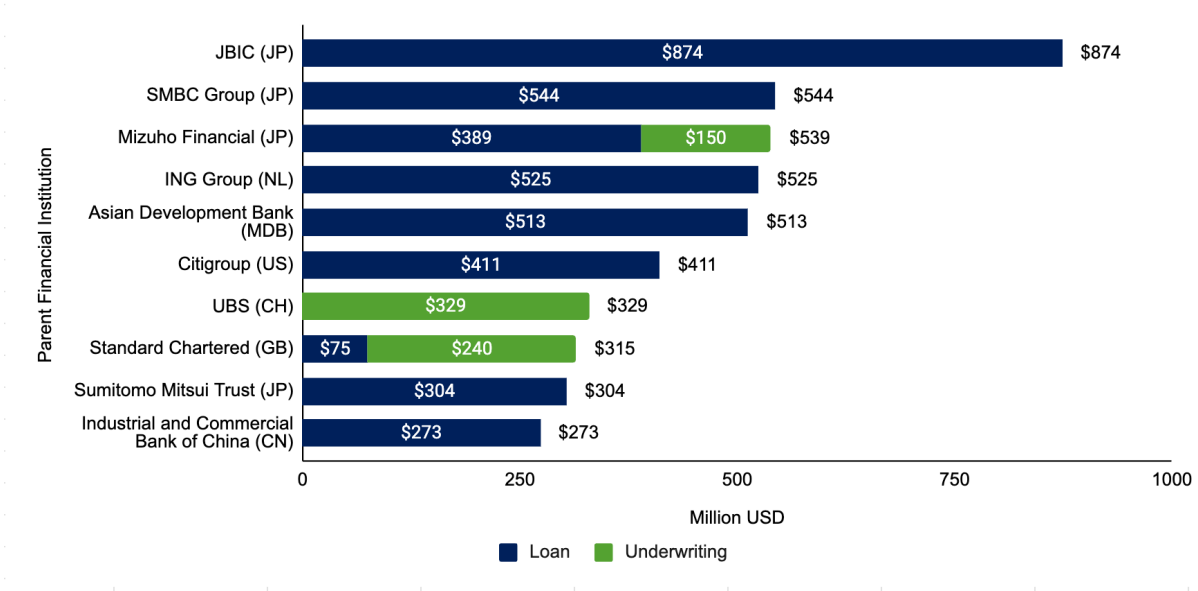
Rank	Parent Financial Institution	Financing Score	Coal Divestment Policy	Sustainability Policies	Overall Score
1	JBIC (JP)	4	0.500	0.333	3.853
2	Industrial and Commercial Bank of China (CN)	2	0	0.500	1.980
3	China Development Bank (CN)	2	0	0.667	1.973
4	Korea Eximbank (KR)	2	0.500	0.583	1.917
5	China Eximbank (CN)	2	0.500	0.500	1.920
6	Bank of China (CN)	2	0.500	0.417	1.923
7	Mizuho Financial (JP)	2	2.125	1.083	1.702
8	Mitsubishi UFJ Financial (JP)	2	2.250	0.750	1.700
9	SMBC Group (JP)	2	2.375	0.750	1.685
10	China Construction Bank (CN)	1	0	0.583	0.988

Note: The highest score a bank can get for each criteria is 5 points. A higher financing score denotes higher financing for coal and gas. However, a higher score for divestment and sustainability policies mean better quality of policies by the bank. Higher policy scores do not completely offset the coal and gas financing of the bank, as substantiated with the latter being given a greater weight when computing the overall score. Hence, a higher overall score indicates poor sustainable performance by the bank.

Japanese banks are the biggest financiers of gas power plants, followed by Global North countries.

- Export credit agency JBIC, as with coal, is the biggest supporter of gas, clearly reflecting the national policy of the country to support fossil fuels.
- Asian Development Bank, to which Japan is a major contributor, is also a significant source of gas power plant financing in the region. The ADB has put some limitations on supporting fossil gas, but not enough to totally curb its support for fossil fuel.
- Notably, UBS and Standard Chartered delivered most of their support through underwriting. Both of these banks helped San Miguel, the partial owner of the two gas power plants and an LNG terminal in Batangas, tap on senior perpetual bonds to finance the company's gas development.

ES-Figure 3. Total downstream gas project financing by international financing institutions, 2016 to 2024 (in USD million)



Global North financiers are among the dirty banks for their significant support towards Southeast Asia's gas plant expansion, and lack of policy restricting gas financing.

- Citigroup, ING, UBS, and Standard Chartered, along with the Industrial and Commercial Bank of China are among the banks with the biggest exposure to gas plant project financing.
- Multilateral development bank Asian Development Bank, of which Japan and the United States are major contributors, is also among the biggest funders of gas plants in the region.
- Aside from heavily investing in Southeast Asia's coal, SMBC and Mizuho are also big supporters of fossil gas power in the region.
- Out of the top 10 foreign banks, only the Asian Development Bank has a policy on fossil gas plants albeit very limited. The ADB will still support gas plant projects if it meets conditions set by the bank, such as the plant's lifespan following net-zero pathways, among others.
- ING has also set policies on fossil gas, restricting financing for upstream oil and gas in 2023, and extending this restriction to new export terminals of liquified natural gas by 2026. The bank remains in the rankings, however, due to its relatively large gas financing and lacking policy for gas power plants.

ES-Table 2. Overall Score for International Gas Financiers

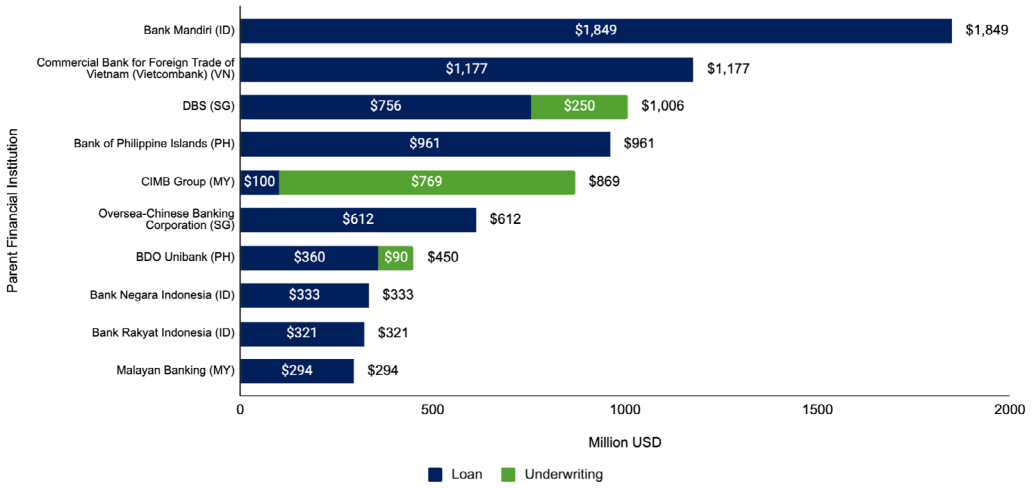
Rank	Financier Parent	Financing Score	Gas Divestment Policy	Sustainability Policies	Overall Score
1	JBIC (JP)	3	0	0.333	2.980
2	Sumitomo Trust (JP)	2	0	0.583	1.977
3	SMBC Group (JP)	2	0	0.75	1.970
4	UBS (CH)	2	0	0.833	1.967
5	Citigroup (US)	2	0	0.917	1.963
6	Standard Chartered (UK)	2	0	0.917	1.963
7	Mizuho Financial (JP)	2	0	1.083	1.957
8	ING Group (NL)	2	0	1.333	1.947
9	Asian Development Bank	2	0.500	0.75	1.910
10	Industrial and Commercial Bank of China (CN)	1	0	0.5	0.990

Note: The highest score a bank can get for each criteria is 5 points. A higher financing score denotes higher financing for coal and gas. However, a higher score for divestment and sustainability policies mean better quality of policies by the bank. Higher policy scores do not completely offset the coal and gas financing of the bank, as substantiated with the latter being given a greater weight when computing the overall score. Hence, a higher overall score indicates poor sustainable performance by the bank.

The domestic banks with the biggest financing for downstream coal were from countries with the biggest operating capacity commissioned after the Paris Agreement: Indonesia, Vietnam, the Philippines, and Malaysia.

- Two Malaysian banks are also among the biggest domestic financiers of coal power plants in the region, despite Kuala Lumpur receiving no coal financing itself since 2016. CIMB Group and Malayan Banking mainly financed coal in Indonesia and Vietnam
- While Singapore also had no commissioned coal capacity in the last eight years, DBS Bank and the Oversea-Chinese Banking Corporation (OCBC) notably supported coal projects in Indonesia and Vietnam.

ES-Figure 4. Total downstream coal project financing by domestic financing institutions, 2016 to 2024 (in USD million)



Indonesia's Bank Mandiri is the dirtiest bank relative to its Southeast Asian peers for funneling money to coal plants, and lacking coal exclusion policy.

- Bank Mandiri is the highest domestic project financier of downstream coal, and second biggest coal plant financier among both Southeast Asian and international banks. The bank has yet to put in place any coal exclusion policy and finance phase out deadline.
- The latest of the coal financing came from Bank Mandiri, which provided refinancing investment credit to Huadian Bukit Asam Power USD 1.27 billion in September 2024, to support the operation of Bangko Tengah, or Sumsel-8, power station in Indonesia.
- Singaporean banks Oversea-China Banking Corporation and DBS, as well as Malaysian banks CIMB and Malayan Banking are among the biggest domestic coal financiers in the region. This, despite having relatively fewer coal plants themselves, indicating massive support for neighboring countries' coal expansion instead.
- Out of the 10 domestic banks included in the ranking, banks from Indonesia and Vietnam do not have policies excluding coal financing. Bank Rakyat Indonesia, and Bank Negara Indonesia, and Vietcombank also did not set any deadline for phasing out their coal financing. Meanwhile, Bank Mandiri has stated that it will follow the government's phaseout plans. Indonesian president Prabowo Subianto announced a goal to end coal by 2040.

ES-Table 3. Overall Score for Domestic Coal Financiers

Rank	Parent Financial Institution	Financing Score	Coal Divestment Policy	Sustainability Policies	Overall Score
1	Bank Mandiri (ID)	4	0.25	0.333	3.913
2	Commercial Bank for Foreign Trade of Vietnam (Vietcombank) (VN)	3	0	0.333	2.980
3	Bank of Philippine Islands (PH)	3	2.25	0.667	2.555
4	DBS (SG)	3	3.125	1	2.378
5	Oversea-Chinese Banking Corporation (SG)	2	2.375	0.917	1.678
6	CIMB Group (MY)	2	3.625	0.917	1.528
7	Bank Negara Indonesia (ID)	1	0	0.333	0.993
8	Bank Rakyat Indonesia (ID)	1	0	0.333	0.993
9	BDO Unibank (PH)	1	0.75	0.333	0.948
10	Malayan Banking (MY)	1	1.5	0.917	0.892

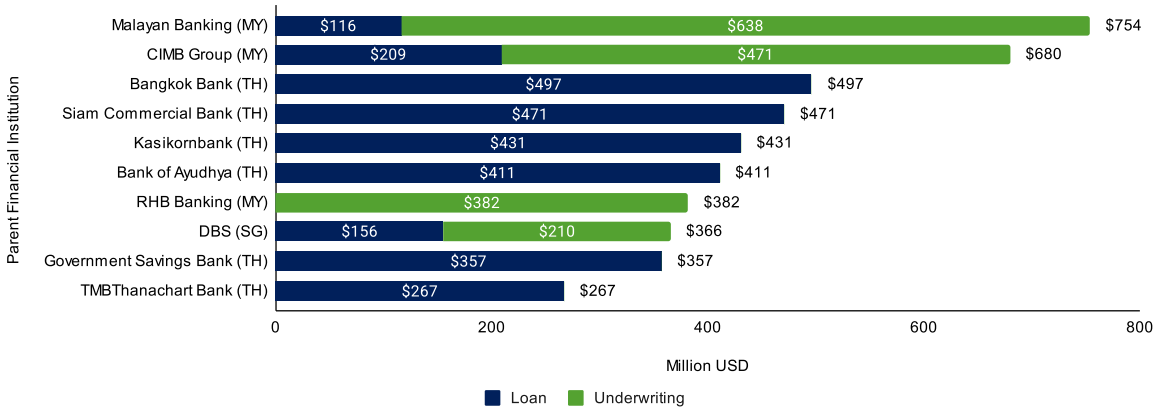
Note: The highest score a bank can get for each criteria is 5 points. A higher financing score denotes higher financing for coal and gas. However, a higher score for divestment and sustainability policies mean better quality of policies by the bank. Higher policy scores do not completely offset the coal and gas financing of the bank, as substantiated with the latter being given a greater weight when computing the overall score. Hence, a higher overall score indicates poor sustainable performance by the bank.

The top domestic financiers of gas plants come from countries with the most commissioned gas capacity since 2016: Malaysia and Thailand.

- Malayan Banking is the highest domestic project financier of fossil gas in the region, and also, overall, the second biggest gas plant financier in Southeast Asia.

- Amid Bangkok's continued reliance on fossil gas, the country's second-largest bank, Siam Commercial Bank, has committed to not providing financial support to companies supporting the development of LNG infrastructure built to support unconventional oil and gas activities. Meanwhile, Kasikorn Bank has stated in its policy that it will not provide new loans for fossil gas power plants that do not use low-carbon technology to reduce their emission intensities.
- Aside from financing the development of their local gas projects, CIMB and Malayan Banking were also involved in the development of a 2,500-MW gas power plant in Rayong. Malayan Banking, the country's biggest bank according to asset size, also supported the 800-MW combined cycle gas turbine power generation facility in Jurong Island, Singapore.

ES-Figure 5. Total downstream gas project financing by domestic financing institutions, 2016 to 2024 (in USD million)



Malaysia's Malayan Banking is also among the dirtiest banks for its massive support to gas plant expansion in the region.

- Malayan Banking has not put any gas exclusion policy in place and even includes midstream and downstream gas as eligible activities for its transition finance.
- Malayan Banking, the country's biggest bank according to asset size, also supported the 800-MW combined cycle gas turbine power generation facility in Jurong Island, Singapore, as well as the development of a 2,500-MW gas power plant in Rayong.
- Other domestic financiers with the biggest exposure to gas power plants come from Thailand and Malaysia. Singaporean bank DBS is also listed in this ranking.
- Only Kasikornbank has some kind of gas exclusion policy, restricting financing for new plants that do not use "low-carbon technology." Government Savings Bank, meanwhile, announced a fossil fuel phase out by 2050.

ES-Table 4. Overall Score for Domestic Gas Financiers

Rank	Parent Financial Institution	Financing Score	Gas Divestment Policy	Sustainability Policies	Overall Score
1	Malayan Banking (MY)	3	0	0.917	2.945
2	CIMB Group (MY)	3	0	0.917	2.945
3	Bangkok Bank (TH)	2	0	0.5	1.980
4	Siam Commercial Bank (TH)	2	0	0.917	1.963
5	Kasikornbank (TH)	2	0.5	0.917	1.903
6	Bank of Ayudhya (TH)	2	0	0.583	1.977
7	RHB Banking (MY)	2	0	0.917	1.963
8	DBS (SG)	2	0	1	1.960
9	Government Savings Bank (TH)	2	0.25	0.667	1.943
10	TMBThanachart Bank (TH)	1	0	0.5	0.990

Note: The highest score a bank can get for each criteria is 5 points. A higher financing score denotes higher financing for coal and gas. However, a higher score for divestment and sustainability policies mean better quality of policies by the bank. Higher policy scores do not completely offset the coal and gas financing of the bank, as substantiated with the latter being given a greater weight when computing the overall score. Hence, a higher overall score indicates poor sustainable performance by the bank.

While Global North financiers seem to have laid their hands off coal and gas in the region, their presence remain as backers of Southeast Asian fossil fuel developers.

- Aside from holding shares in domestic banks that pour financing for fossil-based power plants, Global North financiers provided equity investments in the biggest domestic coal and gas developers.
- Some of the biggest coal developers since the Paris Agreement until last year were companies from Japan, China, and South Korea. Developers from France, the US, Australia, and China also plan to continue developing new coal capacity in Southeast Asia. Meanwhile, local coal developers receive substantial equity backing from American, European, and Japanese financiers.
- The developers with the biggest gas capacities commissioned since 2016 included companies from Japan, as well as China, while the developers with the biggest planned capacities include firms from Germany, the United States, and South Korea. The biggest local developers of commissioned and planned capacities, meanwhile, have notable equity investments from financiers based in the United States, Japan, and Europe.

Loopholes remain in coal exclusion policies, while much more has to be done to restrict gas financing.

- Of the 35 banks covered by this report, only nine–most of which come from China and Indonesia–have yet to implement any coal exclusion policy. These banks are China Construction Bank, Industrial and Commercial Bank of China, China Development Bank, Export-Import Bank of Thailand, Bangkok Bank, Bank Rakyat Indonesia, Bank Negara Indonesia, Bank Mandiri, and Vietcombank.

- Banks from Europe, and Japan included in this report have coal financing exclusion policies. These policies are limited, however, to certain sizes, uses, and technologies employed in the plants. For one, Japanese banks may allow financing for coal plants if they use low-carbon technology, and ING does not include in its coal policy power plants used for industrial purposes.
- Notably, only 14 out of 35 banks have put in place some restrictions for companies with coal-related activities. The most restrictive out of all financing institutions assessed is Government Savings Bank Thailand, which included the coal industry in its exclusion list, effectively barring coal-related companies from accessing financing from the bank.
- The three Indonesian banks included in this report–Bank Negara Indonesia, Bank Rakyat Indonesia, and Bank Mandiri–are yet to create a policy excluding coal power plant financing.
- Despite the government's policy to cease overseas coal, not all Chinese financial institutions have reflected this pledge in their own policies. Of the five Chinese banks included in our assessment, only two have written policies excluding overseas coal: the Bank of China and the Export-Import Bank of China.
- Similar to Chinese banks, Korean banks also ceased financing coal in the region after the 2021 government announcement halting overseas coal. The two Korean banks included in this report, Korea Development Bank and the Export-Import Bank of Korea, had written policies excluding, at least, overseas coal financing.
- Japan also committed to stop international investments by the end of 2021, but only for unabated coal.
- Data shows that after the pronouncements of halting overseas coal finance, Chinese, Japanese, and South Korean banks have ceased project financing coal plants in Southeast Asia.
- Four commercial Japanese banks assessed for this report–Mizuho Financial, SMBC, Sumitomo Mitsui Trust, and MUFJ–all had restrictions for new coal power plants, but they all remain open to financing projects as long as they have carbon capture storage or other low-carbon technology.
- While some banks, such as ING and Standard Chartered, have policies regarding gas financing, they only at most cover upstream or unconventional activities and not gas power plants.
- ADB will only support fossil gas plants that meet certain conditions of the bank, including that the operating lifetime of the projects be consistent with pathways for carbon neutrality by 2050.
- Kasikorn states that it will not provide new loans for operators of fossil gas power plants that do not use low-carbon technology to significantly reduce emission intensity. The bank, however, has not provided more information as to what "low-carbon technology" it is referring to.

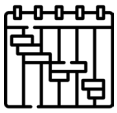
Only a handful of banks have clear climate demands from clients. And, as banks start setting up transition finance products, more scrutiny is needed on the use of such proceeds.

- ING received the highest sustainability score among other banks, both domestic and international. Of note in their policies is their development of a tool that scores clients' publicly disclosed data on their climate transition plans, emissions, targets, governance and strategy in place. This, then, forms the basis of their engagement with clients. Other banks, such as Mizuho, DBS, CIMB, and Malayan Banking, among others, request the same from their clients.
- Out of the 35 banks assessed, only 11 of them published sector-specific net-zero pathways. Among those banks are RHB Banking, Oversea-Chinese Banking Corporation, Sumitomo Trust, and more. Banks generally start setting emissions targets for clients in hard-to-abate sectors, such as power, fossil fuels, steel, and transport, and aim to achieve net-zero by 2030 or 2050.

- At least five banks included in this report–MUFJ, SMBC, Bank Mandiri, DBS, and Malayan Banking, have published their transition finance frameworks. This finance focuses on supporting the transition of high-emitting clients to low-carbon. Their frameworks, however, show that such financing can be used for switching coal to gas, ammonia/hydrogen-related activities, as well as managed phaseout of coal plants.

Recommendations

All financial institutions should:



Set and disclose a timeline and measurable targets (including short-, medium-, and long-term targets) in phasing out all fossil fuel exposure, and pursue early retirement of existing coal and fossil gas power projects on a 1.5°C-aligned timeline.

Financial institutions committing to no longer fund or support coal and fossil gas projects should ensure that they do not finance these projects through loopholes in their own policies, such as through underwriting or selling securities intended for coal or fossil gas projects and related facilities, and for general corporate purpose of coal or fossil gas developers. Similarly, these financial institutions should ensure that the same policy is cascaded and applied by their subsidiaries.

Banks that have or will engage in coal retirement mechanisms should adopt the Ten Guiding Principles for Financing Coal Retirement Mechanisms to ensure that renewables are priorities, false carbon-based solutions and retrofitting delays are avoided, concessional financing is provided especially for distributed, small-scale, and community renewable energy systems, and local communities and stakeholders are protected from the impacts of early coal retirement.

All financial institutions should prohibit financing for coal and new oil and gas fields and all companies listed in the Global Coal Exit List and Global Oil & Gas Exit List.

As for new fossil gas power plant projects and expansion projects, all financial institutions should set stringent restrictions and environmental and social safeguards on funding and investments if these projects are determined to be a necessary and economically viable bridge for a country's transition in a timeline aligned with the 1.5°C goal.

A distinction should be made regarding the roles of Southeast Asian domestic banks, multilateral and regional development banks, Global North, and other international financial institutions, in adopting a Paris-aligned policy, considering common but differentiated responsibilities and respective capabilities.

Southeast Asian domestic banks should align financial flows to rapid and just transition pathways that are in accordance with their country's fair share in the 1.5°C Paris goal. There should be a clear policy on the reduction of fossil fuel exposure and providing loans and underwriting services.

Global North financial institutions and multilateral and regional development banks should lead the adoption of the most ambitious Paris-aligned energy policies and strategies to finance the necessary energy transformation in SEA, starting with scaling up public finance, mainly debt-free, for renewable energy projects, especially transformative and democratic decentralized energy systems that will not reproduce the harms of a fossil-fueled energy system, and ensure a just and fair energy transition.

Global North financial institutions, which have historically pushed the region to coal dependency and now continuously promote the expansion of another fossil fuel in the form of gas and other false solutions like ammonia co-firing and carbon capture that prolong the lifespan of the fossil fuel industry, should likewise immediately divest from fossil fuel developers and financiers in SEA. These institutions should rechannel financing and investments to support Southeast Asian countries' climate action and pay for climate adaptation, the loss and damage caused by the impacts of climate disaster, and for a just transition away from fossil fuels to renewable energy and climate-resilient societies.

CONTENTS

INTRODUCTION

In summer last year, record-breaking temperatures scorched the region, causing deaths, water shortages, agricultural losses, and widespread class cancellations.[2] Scientists claimed that this heatwave would have been impossible without the climate crisis. Then the rainy season came, which brought intensified typhoons and flash floods from urban centers to farms, displacing people, and again devastating crops.[3]

Asked regarding their view of climate change, a majority of Southeast Asians answered that they see it either as an important issue that deserves monitoring or as a serious and immediate threat to them and their countries' well-being.[4] Floods, heatwaves, and landslides due to heavy rains are the top three most serious impacts of the climate crisis, according to the annual survey on Southeast Asia climate outlook, and more than half of them believe that these events will affect them personally in ten years' time. This is no surprise.

Given the devastation on crops and interrupted livelihoods, Southeast Asians who experienced some level of food insecurity pointed at climate change as the second main reason for the experience, following rising food prices. Only 29.9% of those surveyed said that they did not experience food

2 Damian Carrington, "'Impossible' Heatwave Struck Philippines in April, Scientists Find," The Guardian, May 14, 2024, sec. Environment, https://www.theguardian.com/environment/article/2024/may/14/impossible-heatwave-philippines-april-scientists.

3 Carolyn Cowan and Gerald Flynn, "Southeast Asia in Review: 2024," Mongabay Environmental News, December 30, 2024, https://news.mongabay.com/2024/12/southeast-asia-in-review-2024/.

4 Sharon Seah et al., "The Southeast Asia Climate Outlook: 2024 Survey Report" (ISEAS - Yusof Ishak Institute, 2024), https://www.iseas.edu.sg/wp-content/uploads/2024/08/SEACO24-Report-final.pdf.

insecurity in 2024, a significant decline from the previous year's 40.2%. Given last year's climate change-exacerbated El Niño, around two in three Southeast Asians see prolonged drought and heat waves as the main climate impacts affecting their country's food availability. Majority also expressed concern that the climate crisis will affect food availability and affordability in the next three years.[5]

The Southeast Asia region covers a large expanse of marine waters, and its rich biodiversity and resources have supported millions of people's livelihoods and, most importantly, food security. Climate change, however, could damage this marine ecosystem through rising water temperature, acidification, and deoxygenation, among others.[6] The resulting damage to coral reefs and altered species distribution would ultimately also impact the livelihood of small fisherfolk and food security of coastal communities. But apart from the impacts of climate change, Southeast Asia's marine life and ecology are being directly imperiled by the construction of fossil fuels in the waters.

The expansion of the coal and gas industry in the region is a double whammy to Southeast Asians. Continued buildout, operation, and emission of planet-heating gases lead to worsening climatic conditions. At the same time, the infrastructure of these fossil fuels, mainly near the coasts, increases the risks of oil or coal spills, pollutes the waters, damages habitats, and interrupts the livelihoods of communities.

As one of the fastest-growing regions of the world economy, Southeast Asia has been increasing its energy demand to support its development.[7] This demand, however, has mainly been absorbed by the coal and gas industries. Southeast Asia is the biggest region expanding coal capacity (excluding China and India), with plans to add 34.9 gigawatts (GW) more to its existing capacity.[8] The region is also being seen as a driver of demand for liquified fossil gas (LNG) with its increasing buildout of gas power plants and import terminals. There is currently a proposed addition of 135.6 GW of gas-fired power plants, a planned addition of 80.9 mtpa of import capacity, and at least 16.7 mtpa of export capacity in the region.[9]

Despite the rush for coal and gas, Southeast Asia is also keen to diversify and transition its energy sources as it plans a massive implementation of 397.8 GW of renewable energy capacity.[10] A report by the International Energy Agency (IEA) states that Southeast Asia has to quadruple its installed capacity to meet the 1.5°C goal per the agency's Net-Zero Emissions (NZE) Scenario.[11] The region's renewable energy ambition goes beyond that target. Should the planned 397.8 GW addition be realized, as of end 2024, Southeast Asia will increase its renewables capacity of 33.8 GW by eleven-fold.[12]

While the region has ambitious goals, only 12.3% of this planned augmentation is under construction, with the majority still in the pre-construction stage.[13] Aside from regulatory, infrastructure, and policy barriers, the financial investment required to meet Southeast Asia's ambitions is not on track.

5 Seah et al.

6 Susan Kay et al., "Projected Effects of Climate Change on Marine Ecosystems in Southeast Asian Seas," Frontiers in Marine Science 10 (March 28, 2023), https://doi.org/10.3389/fmars.2023.1082170.

7 Rajiv Biswas, "ASEAN Economic Outlook in 2024," S&P Global, January 12, 2024, https://www.spglobal.com/marketintelligence/en/mi/research-analysis/asean-economic-outlook-in-2024-jan24.html.

8 "Southeast Asia at a Crossroads."

9 Sharma, "Significant Potential for Growth in LNG-to-Power Sector in Southeast Asia: Interview [Global Gas Perspectives]," Natural Gas World, February 11, 2025, https://www.naturalgasworld.com/significant-potential-for-growth-in-lng-to-power-sector-in-southeast-asia-interview-119096.

10 "Southeast Asia at a Crossroads."

11 "Southeast Asia Energy Outlook 2024" (Paris: International Energy Agency, 2024), https://www.iea.org/reports/southeast-asia-energy-outlook-2024.

12 "Southeast Asia at a Crossroads."

13 "Southeast Asia at a Crossroads."

Estimates from the IEA show that to achieve the announced pledges of countries, the region's annual clean energy investment should reach USD 190 billion by 2035.[14]

Most of the energy financing in Southeast Asia has been going to fossil fuels; since 2016, support to coal and gas has reached USD 142.1 billion. This is nearly triple the funding that went to renewables, amounting only to USD 52.8 billion.[15] Previous reports have shown that Global North financial institutions were crucial in Southeast Asia's fossil fuel expansion–either through financing or developing projects themselves. Given their role in pushing the region towards fossil fuel dependency, these financial institutions should not only cease their coal and gas financing but also contribute significantly towards Southeast Asia's fossil fuel exit.

Commercial finance, which drives the energy investment in the region, is significant to meeting the investment needed for Southeast Asia's renewables ambition. It supports at least 60% of investments in fossil power, and around 75% in wind and solar PV due to their mature, lower-risk profiles. Public finance is crucial for fossil fuel supply and transmission, covering about half of the financing due to their high upfront costs and longer payback periods. Development finance institutions, meanwhile, also play a role in mobilizing finance for renewables as they could help re-risk projects, lowering the cost of capital for clean energy, making them more financially viable, hence attracting more investors.[16]

As climate impacts become more and more palpable around the world, public and private institutions, driven by government climate commitments, have started aligning themselves with the global goal of keeping global warming below 1.5°C. Among these institutions is the finance sector, which, recognizing their enabling character to the fossil fuel industry, formed networks and alliances aimed to contribute to the Paris Agreement.

Some of the banks, particularly from Japan and the United States, eventually pulled out from these networks due to US President Donald Trump's reversal of the country's climate commitments and policies. On the other side of the world, however, Southeast Asian banks are developing their own policies and commitments.

Amid commitments from banks that they will align with the goal of limiting global warming, there is a need to assess whether these pledges and policies are stringent enough to actually reduce and zero financing towards fossil fuels. This report, the first of its kind in Southeast Asia, assessed the climate policies and downstream coal and gas project financing of the 35 banks with the biggest coal and gas plants exposure in the region, showing the financing institutions behind fossil fuel expansion in Southeast Asia.

Banks' policies, or lack thereof, are scored according to different criteria, including coal and gas financing exclusion, coal and gas financing phaseout, funding for climate mitigation and adaptation efforts, and financing target for renewable energy, among others. Meanwhile, the cumulative project financing for downstream coal and gas from the start of the Paris Agreement in 2016 to 2024 is also considered for the overall scoring and ranking of the banks. Banks in the top ranks are considered the dirtiest–they have the highest financing for coal and gas, and lack policies material enough to actually curb their fossil fuel financing and align with the 1.5°C goal.

14 "Southeast Asia Energy Outlook 2024."

15 "Southeast Asia at a Crossroads."

16 "Southeast Asia Energy Outlook 2024."

ABOUT THE SCORECARD

Scope

This Scorecard assesses the banks with the biggest fossil fuel exposure in Southeast Asia. Aside from domestic Southeast Asian banks, international and development financial institutions are also included owing to their significant role in the proliferation of coal and gas in the region. Financing from subsidiaries, such as investment or commercial banking arms, if any, were attributed to their parent financial institutions. These institutions were then scored based on the cumulative financing of their operations.

Due to the numerous international and domestic financial institutions that have given support to fossil fuels in Southeast Asia, the scope of the Scorecard was narrowed down to the Top 10 international and domestic banks with the highest coal and gas exposures. This Scorecard considered all financing activities and policies announced or adopted from January 1, 2016–in light of the adoption of the Paris Agreement in December 2015–to December 31, 2024.

The Scorecard also only considered the project finance provided by banks to the downstream sector of the coal and gas industry. Based on CEED's financing data, project finance for coal and gas only captures 42.5% and 16.74%, respectively, of total financing for these fossil fuels. However, we opted to forego for this edition financing coursed through general corporate purposes due to the massive size of data and reports that needed to be reviewed further to accurately reflect the banks' overall fossil fuel financing. Financing through shareholding and bondholding are also beyond the scope of this report due to the lack of tools to track those activities. On project finance, this report focused particularly on fossil fuel-based power, including engineering, procurement, and construction of

power plants, and project and asset ownership. From 2016 up to last year, we tracked the loans, and equity and bond underwriting services of financial institutions' fossil fuel project financing. We note, however, that this report's data does not differentiate, as of yet, coal financing from multilateral development banks channeled through domestic intermediaries.

This Scorecard also assessed the policies of the banks based on different criteria, such as their financing exclusion policies for existing and expanding coal and gas power plants, restriction to fossil fuel developers, as well as the banks' client engagement strategy to push them to transition and align with the 1.5°C pathway. This report also scored the climate action of the banks–whether they have ongoing initiatives to drive support for climate mitigation and adaptation, renewable energy, and other sustainable projects. Lastly, the Scorecard also penalized the banks that regard liquified fossil gas (LNG), and other false solutions such as co-firing hydrogen/ammonia with fossil-based power plants, as "cleaner" alternatives to fossil energy.

Data Sources

All data and information regarding financial activities and sustainability and climate policies were sourced from publicly available documents, such as annual reports, policy statements, sustainability frameworks, financial statements, and news articles or press releases, among others. We also sourced from the following resources to determine the contribution of the financial institutions to coal and gas:

- London Stock Exchange Group (LSEG) formerly Refinitiv
- Final prospectuses and offer supplements for the issuance of financial instruments
- Urgewald's Global Coal Exit List and Global Oil and Gas Exit List
- Global Energy Monitor

Bank policy trackers such as the Coal Policy Tracker and the Oil & Gas Policy Tracker are also used and applied according to the Southeast Asian context.[17]

17 To know more about our methodology, specific criteria, and how we calculated scores, please visit this document.

1. RESULTS AND FINDINGS

1.1. Overall Downstream Coal and Gas Project Financing

1.1.1. Gas project financing catching up with dwindling coal, with international banks providing the majority of support for both fossil fuels

Since the effectivity of the Paris Agreement in 2016 until 2024, a total of USD 45.167 billion was funneled by international and domestic banks to downstream coal and gas project financing in the region. International banks are leading the fossil fuel expansion in Southeast Asia as 65.1% of the financing came from foreign financing institutions. Majority of the amount–71.9%–went to coal, with the rest going to gas.

Coal project financing in Southeast Asia reached a cumulative USD 32.477 billion, equivalent to around 54.5 GW of capacity. Fossil gas project financing, meanwhile, had a cumulative USD 12.690 billion, equivalent to around 33.2 GW of gas-fired power plants.

Figure 1. Where does Southeast Asia's downstream coal and gas financing come from?

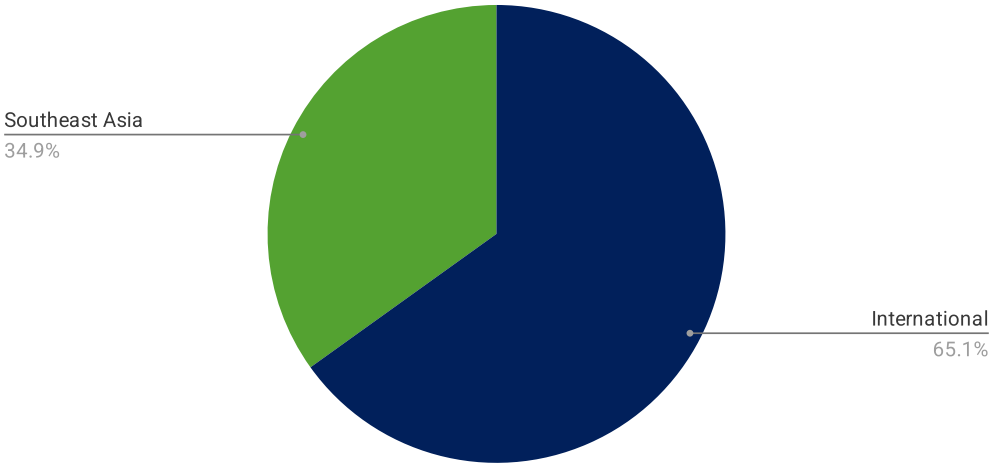
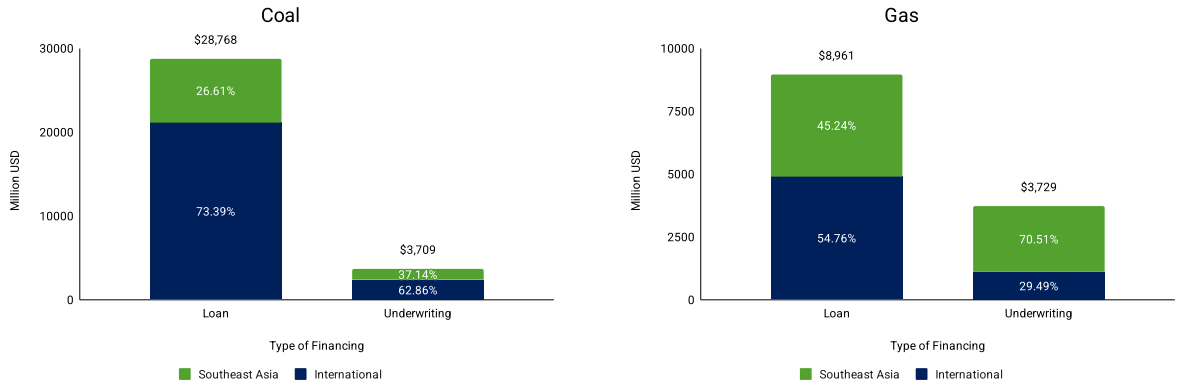


Figure 2. How did financiers provide support to fossil fuel in the region? Downstream coal and gas financing, by source and type, 2016 to 2024 (in USD million)



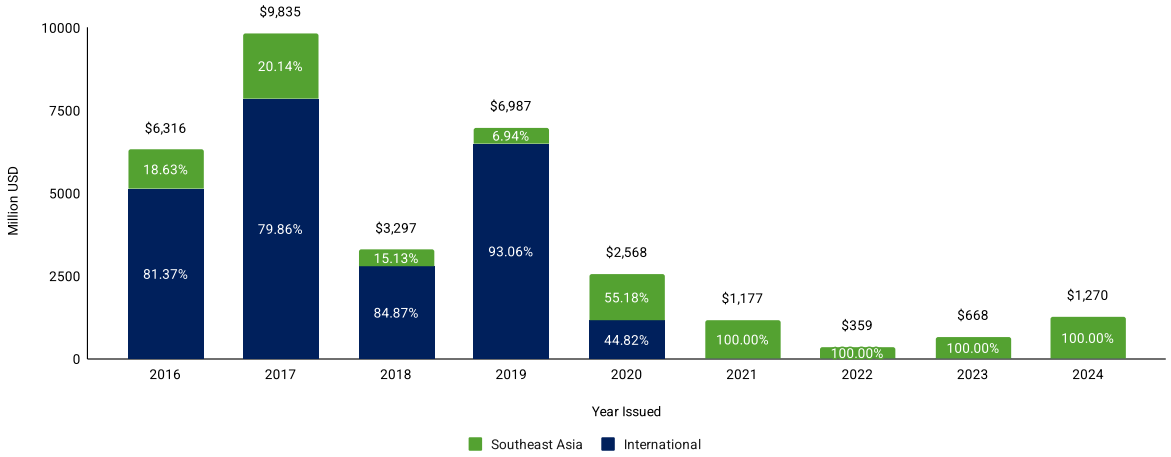
Most of the financing came in the form of loans, but notably, in the years when there were no loans–2021 for gas, and 2022 for coal–banks still supported fossil fuel power plants through underwriting.

Since 2017, financing for coal power projects in the region has decreased, and international financiers seemingly exited supporting said projects after 2020. Despite the exit five years ago, their cumulative financing for coal power projects, amounting to a total of USD 23.445 billion, was more than double that of Southeast Asian banks, totaling USD 9.031 billion. It should also be noted that their zero coal project financing does not necessarily equate to foreign banks totally leaving Southeast Asia's coal industry. We found that a number of Southeast Asian banks that funded coal from 2021 to last year had foreign financiers as shareholders, implying the changing financing medium of international banks and their continued support for the region's fossil fuel expansion. For example, JP Morgan and Chase (JPMC) had shareholdings in Bank Negara Indonesia and Indonesia's Bank Mandiri–two domestic banks that are among the biggest financiers of coal. Aside from JPMC, Bank of New York Mellon, Citibank, and HSBC also hold equities in Bank Mandiri. Mizuho, meanwhile, also has shareholdings in Vietcombank.

The year 2022 saw the lowest coal financing post-Paris Agreement, reaching only about USD 359 million. The departure of international banks from coal project financing and the dip in support could have resulted from the Glasgow Climate Pact in December 2021, a significant outcome of the

26th Conference of Parties. The Pact called upon nation-parties to "accelerate efforts towards the phasedown of unabated coal power," the first time a climate deal explicitly stated the reduction of coal.[18] The 2024 uptick, which came from Bank Mandiri, was for the USD 1.27 billion refinancing for the Sumsel 8 coal plant in Indonesia.

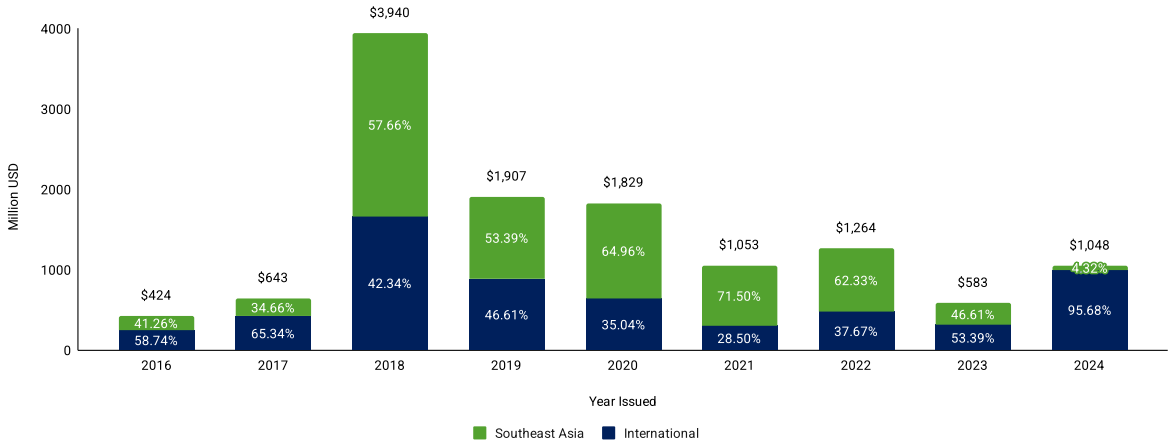
Figure 3. Yearly downstream coal financing, by source, 2016-2024 (in USD million)



Project financing for gas power plants has been relatively stable since its 2018 spike. Compared to the almost USD 4.0 billion financing that year, average annual gas financing in the following years was only around USD 1.116 billion.

From 2018 to 2022, Southeast Asian banks were the main project financiers of gas, but in 2023 and 2024, foreign banks were the significant source of financing for the fossil fuel. Notably, during this time period, no downstream financing were recorded from countries with relatively established gas industries, and hence have local banks that are more capable in supporting their respective domestic gas–Thailand, Malaysia, and Indonesia. Singapore was the lone receiver of financing in 2023, while in 2024, Vietnam received USD 822 million and the Philippines received USD 226 million. Cumulatively, from 2016 up to 2024, Southeast Asian banks delivered USD 6.733 billion in project financing for gas, while international banks' contribution totaled USD 5.957 billion.

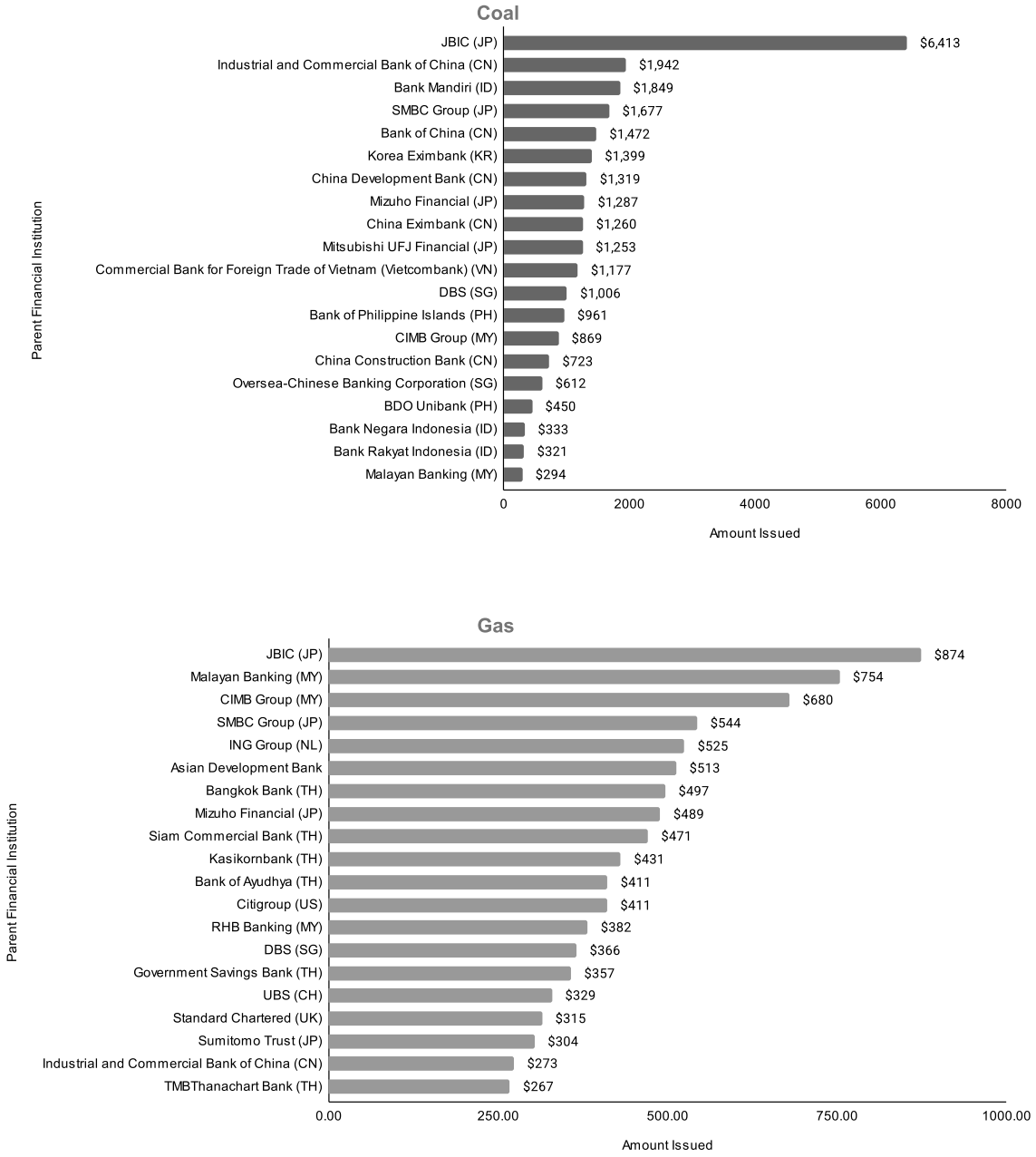
Figure 4. Yearly gas project financing, by source, 2016-2024 (in USD million)



18 UN Framework Convention on Climate Change, "Report of the Conference of the Parties Serving as the Meeting of the Parties to the Paris Agreement on Its Third Session, Held in Glasgow from 31 October to 13 November 2021," March 8, 2022, https://unfccc.int/sites/default/files/resource/cma2021_10_add1_adv.pdf.

For this report, the 10 foreign and 10 domestic banks with the biggest coal and gas exposure were ranked and assessed. When Southeast Asian and international financial institutions are compared with each other, Japanese, Chinese, and Korean banks–as well as Indonesia's Bank Mandiri–funneled the biggest money to coal projects over the last eight years. Meanwhile, Japanese, Malaysian, European, and Thai financial institutions are the biggest funders of gas projects in the region during the same period. Of note, however, for both coal and gas, the Japan Bank for International Cooperation (JBIC) provided the biggest downstream financing to fossil fuels. JBIC's coal financing is so massive that its total support from the past eight years is more than triple that of the bank with the second highest coal plant exposure, the Industrial and Commercial Bank of China.

Figure 5. Downstream coal and gas financing by bank, 2016 to 2024 (in USD million)



1.1.2. Japan: Southeast Asia's biggest fossil fuel financier

Among the financial institutions from at least 13 nations outside of the region supporting coal and gas in Southeast Asia, those from Japan had the most contribution, with around 30% of the total financing for fossil fuels coming from them. More than a third of total coal project financing in the region from 2016 to 2024 came from Japanese banks; likewise, almost 20% of gas project financing also came from them.

Japan has been a significant source of infrastructure funding for Southeast Asia through its private investments and development aid. This massive provision of financing works, not only for the beneficiary countries, but also for the interests of Japan. In particular, Japan, a resource-poor country that has to import coal and gas for its own needs, has been financing the fossil fuel industries of resource-rich nations to secure its energy stability.

JBIC, the country's major conduit of overseas aid, states that its basis for overseas energy financing is "ensuring a stable supply of the energy and natural resources that are essential for the sound development of the Japanese economy. We do this by supporting Japanese companies engaged in the acquisition of overseas interests, as well as the development and importing of energy and natural resources."[19]

In Southeast Asia, for one, Japan provided the biggest support to the biggest coal producers in the region, Indonesia and Vietnam. The two received a total of USD 11.607 billion in the past eight years from Japan for the development of their coal power plants.

Likewise, Japan has been pushing for the development of the gas industry abroad for its own energy and economic security. As a major importer of LNG for the longest time, the country has already established a complex industry to support the fossil fuel industry. The country's Ministry of Economy, Trade and Industry in 2020 even set a 2030 target for firms to transact 1000 million tonnes per annum (mtpa) of LNG. However, in recent years, domestic demand for gas has decreased. Japanese gas and power firms, then, face a surplus of purchase commitments that they will have to sell abroad to stay afloat.[20] For countries, especially Southeast Asians, to absorb this surplus supply from Japan, the latter has cultivated demand for gas, marketing it as a "cleaner" alternative for coal. All the while, however, Japan is also endorsing its technologies for "cleaner" coal, as well, through coal gasification, for example.[21]

The country's campaign for its fossil-fuel based technologies–ammonia and coal co-firing, carbon capture and storage, as well as fossil gas–is apparent in the Japan-led Asia Zero Emission Community. AZEC, which supposedly advances cooperation for carbon neutrality, has notably included memorandums of understanding that contain ammonia co-firing, carbon capture storage, and even fossil gas.[22] These technologies prolong the lifespan of fossil-fueled power plants at a time when the world has to urgently phase out these facilities that emit planet-heating gases.

19 "Energy and Natural Resources Finance Group," JBIC Japan Bank for International Cooperation, accessed April 20, 2025, https://www.jbic.go.jp/en/about/introduction/energy.html.

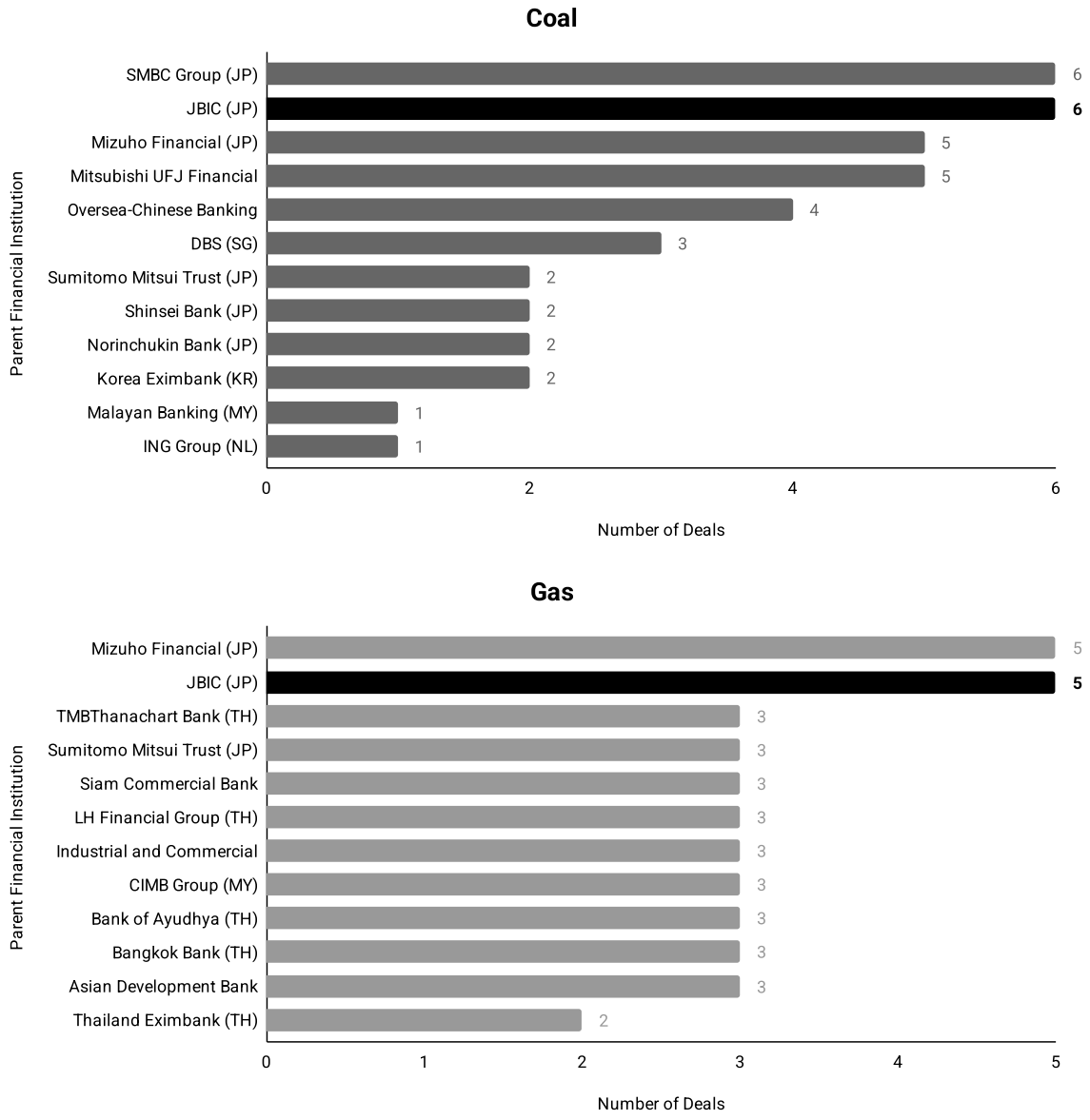
20 Sam Reynolds and Christopher Doleman, "Japan's Largest LNG Buyers Have a Surplus Problem" (Institute for Energy Economics and Financial Analysis, March 2024), https://ieefa.org/sites/default/files/2024-04/20240229%20-%20Report%20-%20Japan%27s%20largest%20LNG%20buyers%20have%20a%20surplus%20problem.pdf.

21 Katsushi Takehiro, "Japan's Coal Policy" (Ministry of Economy, Trade and Industry, January 23, 2020), https://www.jogmec.go.jp/content/300366077.pdf.

22 "List of MOUs (AZEC Public Private Investment Forum)" (Japan Agency of Natural Resources and Energy, March 2023), https://www.meti.go.jp/policy/energy_environment/global_warming/azec/1st_ministerial_meeting/1st_azec_mm_mou_abstract_en.pdf.

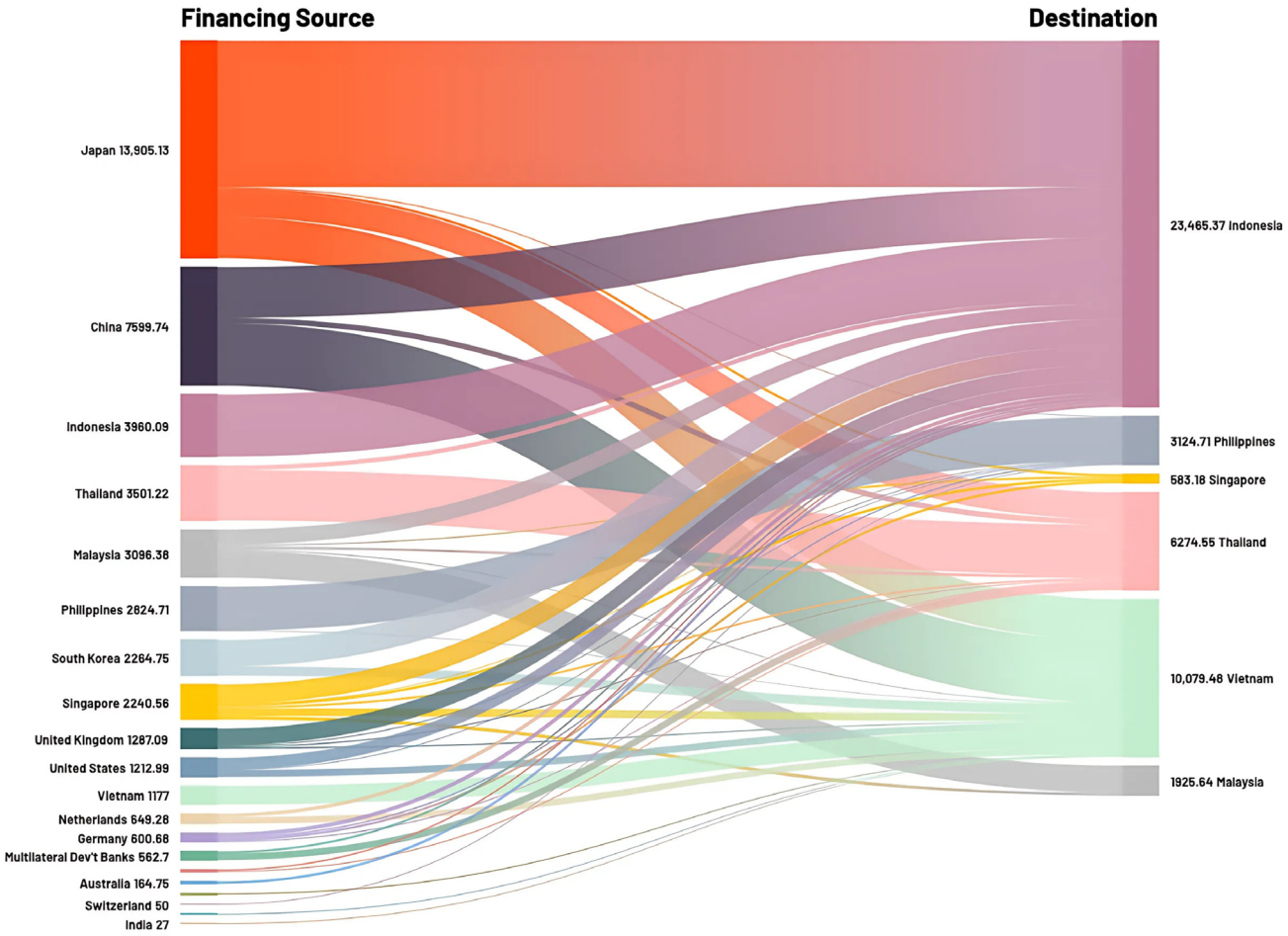
Japan's support for its businesses acquiring overseas fossil fuel interests is palpable when JBIC's investments are juxtaposed with the investments of Japanese financiers. Analysis shows that Japanese megabanks' investments are secured by JBIC, with the latter possibly co-financing to reduce risks and signal investments for the project. Among the projects co-financed, for example by SMBC and JBIC is the development of the 1,200-MW Nghi Son 2 Power Plant in Vietnam, which is developed by KEPCO. Meanwhile, one of the plants financed by Mizuho, and also supported by JBIC, is the 2,500-MW gas power plant in Thailand being developed by Gulf.

Figure 6. Japanese bank deals backed by JBIC



As a region, East Asia has been the biggest fossil fuel financier in Southeast Asia. Following Japan, China is also the biggest contributor to coal expansion in the region, being accountable for around 21% of Southeast Asia's coal financing. Other foreign contributors to the region's coal expansion include South Korea, the United Kingdom, and the United States.

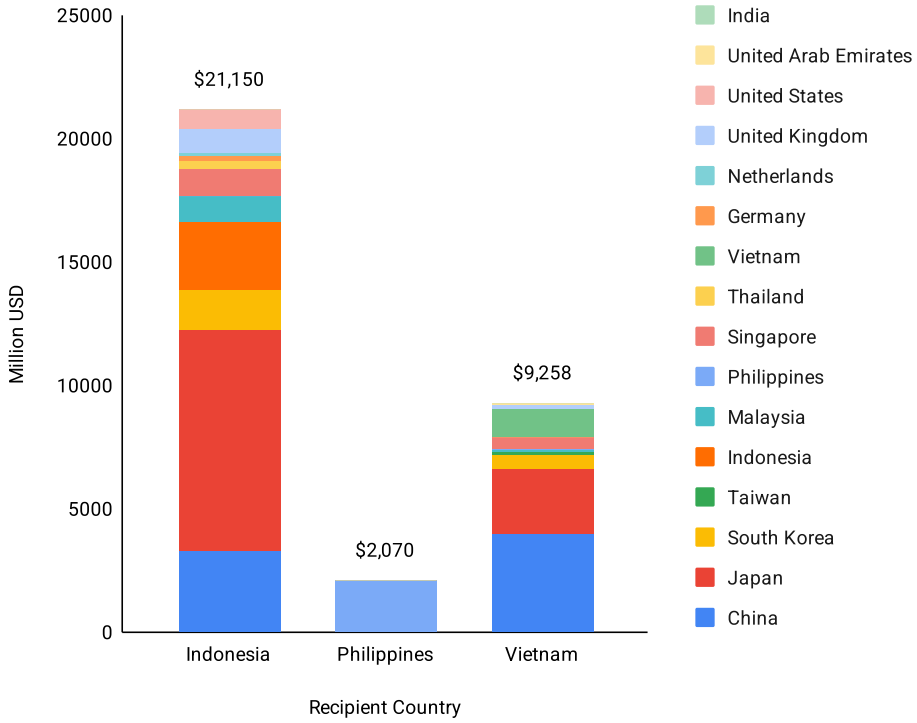
Figure 7. Overall fossil fuel financing, by source to recipient country, 2016-2024 (in USD million)



Domestically, Thailand, Singapore, and Malaysia also contributed to their neighbors' coal plant development. But while Indonesia is responsible for 12% of total coal project financing in the region, this went straight to Jakarta's own power plants. The same is true for the Philippines. We note, however, that this report's data does not differentiate, as of yet, coal financing from multilateral development banks channeled through domestic intermediaries.

Coal financing has been concentrated in Indonesia, Vietnam, and the Philippines–the countries with the largest coal capacity commissioned since the Paris Agreement in 2016. These three countries, which are also the biggest nations with planned coal capacity, are also the ones set to be pilot countries of the Asian Development Bank's (ADB) Energy Transition Mechanism, which aims to speed the retirement of select coal power plants.

Figure 8. Coal power plant financing by source, 2016-2024 (in USD million)



BOX 1. Are early coal retirement mechanisms effective in curbing coal expansion?

Given the lack of transparency and clear standards for choosing projects, civil society and communities expressed concerns regarding coal retirement mechanisms, especially those under ADB's Energy Transition Mechanism. For one, the lack of transparency and meaningful consultation with civil society and affected communities led to the selection of coal expansionists to undergo ETM.

The 660-MW unit of Indonesia's Cirebon, alongside state-owned 1,050-MW Pelabuhan Ratu Plant, is slated for retirement by 2035, shaving off seven years of the Cirebon plant's original lifetime.[23] Concerningly, however, Cirebon commissioned a 1,000-MW expansion of its coal facility around the same time its Unit 1 was announced to be retired early under ADB's ETM.

Likewise, the ADB chose the 18-year-old STEAG coal plant in Mindanao, Philippines, which is currently owned and operated by Aboitiz Power. Civil societies raised concerns regarding ADB's partnership for its early coal retirement program with a coal expansionist–Aboitiz Power is seeking to expand one of its coal plants, which stakeholders in the Philippines have asserted is in contravention of the coal moratorium in the country.[24] Months before the announcement of the STEAG plant to undergo ETM, Aboitiz Power notably increased its shares on the project.

During a public consultation with Filipino civil society, the Bank professed that it will attempt, but could not ensure that partner coal companies will stop augmenting their fossil fuel portfolio as its ETM is voluntary, and largely depends on what asset owners would accept. The ADB also stated that the mechanism does not cover resolving demands for reparation, such as pollution and resulting health concerns, communities surrounding the coal plant have been experiencing.

Partnering with companies actively expanding their coal portfolios, and not demanding commitment from such firms to phase out their fossil fuels ultimately render the current ETM futile. Ultimately, the mechanism signals to the industry that they can continue skirting the damages their business operations have caused to the environment and communities. The ADB's ETM provides early payout using taxpayer money, and excuses coal owners from risks of operating and expanding coal as the world transitions to renewables to keep global warming below 1.5°C.

For fossil gas, much of the project financing of power plants came from Southeast Asian countries supporting their respective industries. Notably, Singapore's gas financing is bigger for other Southeast Asian countries compared to its own, amounting to USD 155.68 million; the nation in total contributed USD 366.49 million to Malaysia, the Philippines, and Thailand. Kuala Lumpur also supported its neighboring countries' downstream gas, financing a total of USD 324.96 million to Singapore and Thailand.

Other than Japan, other foreign financiers for gas include the United States, the Netherlands, China, and France, among others. Multilateral development banks, mainly the Asian Development Bank, also contributed to gas expansion in Southeast Asia, funneling a total of USD 562.7 million to Indonesia and Thailand, two of the biggest countries in the region that commissioned gas power plants after the Paris Agreement.

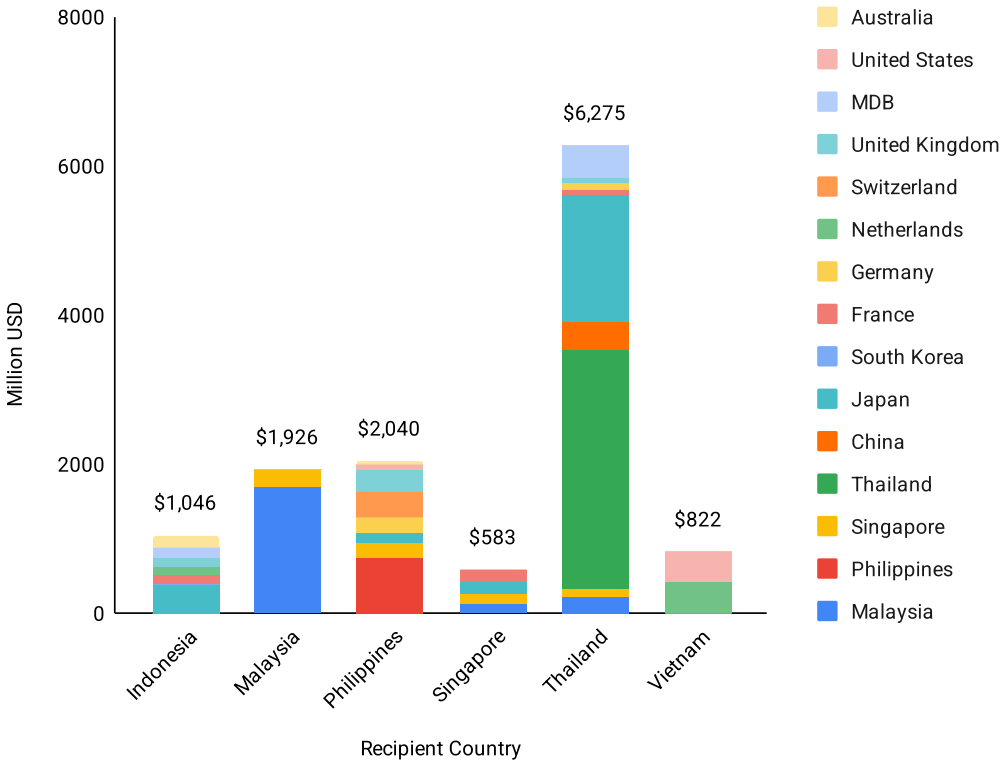
Compared to coal, gas financing is delivered to six nations in Southeast Asia, although Bangkok received more than half of the total financing from 2016 to 2024. Meanwhile, 19% of financing in the region went to Malaysia. The large financing in these two countries is clearly reflected in the gas capacity added during the same period: Both countries had the biggest gas expansion since the Paris Agreement compared to other nations in the region.[25]

23 Asian Development Bank. (2022). "ADB and Indonesia Partners Sign Landmark MOU on Early Retirement Plan for First Coal Power Plant Under Energy Transition Mechanism." https://www.adb.org/news/adb-and-indonesia-partners-sign-landmark-mou-early-retirement-plan-first-coal-power-plant

24 Katlene O. Cacho-Laurejas, "TVI Expansion on Track to Support Cebu's Growing Power Needs," SunStar Publishing Inc., April 29, 2025, https://www.sunstar.com.ph/cebu/tvi-expansion-on-track-to-support-cebus-growing-power-needs.

25 "Southeast Asia at a Crossroads."

Figure 9. Gas power plant financing by source, 2016 to 2024 (in USD million)

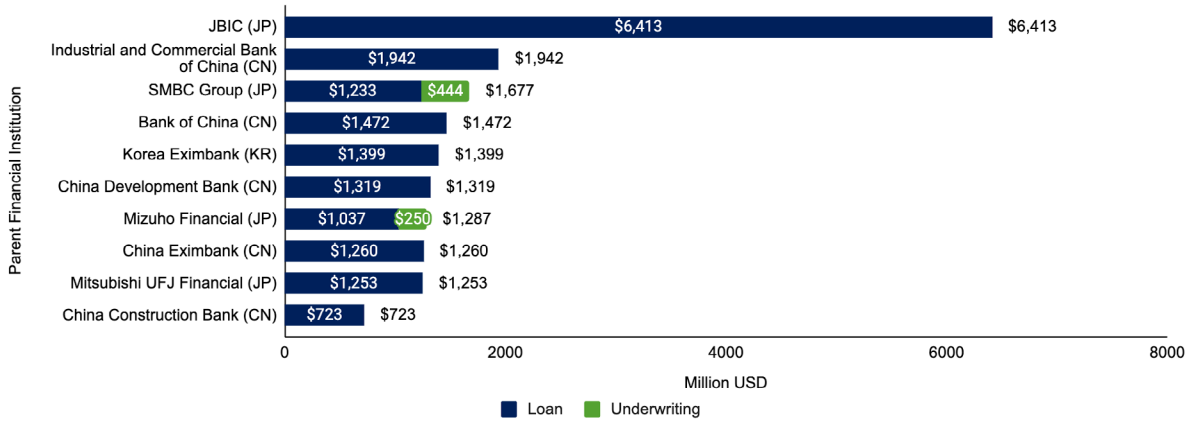


1.2. Coal Finance Ranking

1.2.1. East Asians are the biggest international funders of coal plants

The 10 banks with the biggest Southeast Asia coal exposure are all from East Asia, and are themselves reliant on imported coal for their energy needs: four banks from Japan, four from China, and two from South Korea. Notably, half of these banks are either public finance institutions or export credit agencies, implying their respective governments' push for coal dependence in Southeast Asia.

Figure 10. Total downstream coal project financing by international financing institutions, 2016 to 2024 (in USD million)



Data shows that since Chinese President Xi Jinping announced in September 2021 that China would end its involvement in new coal power plants abroad,[26] Chinese banks assessed in this report have not financed coal plants in Southeast Asia since then. A separate report in 2023, however, found that 52 China-backed coal plants that were initiated before the pledge remain in permitted, pre-permitted, or construction phases.[27] Some of these projects include those in Southeast Asia, such as Indonesia's Banten Suralaya power station Units 9 and 10, Vietnam's Van Phong power station Phase I Units 1 and 2, which began operating in 2023 and 2024, as well as the Philippines' Concepcion power station Unit 2.

Despite the government's policy to cease coal, and despite effectively ceasing new financing for it, not all Chinese financial institutions have reflected this pledge in their own policies. Of the five Chinese banks included in our assessment, only two have written policies excluding overseas coal: the Bank of China and the Export-Import Bank of China.

In the same year, months before Xi announced his pledge, South Korea also committed to halting new financing for overseas coal projects.[28] In 2020, state-run utility company KEPCO announced that it would no longer pursue coal projects abroad, except for financing two existing projects, Java 9 and

26 Vincent Ni and Helen Sullivan, "'Big Line in the Sand': China Promises No New Coal-Fired Power Projects Abroad," The Guardian, September 22, 2021, sec. World news, https://www.theguardian.com/world/2021/sep/22/china-climate-no-new-coal-fired-power-projects-abroad-xi-jinping.

27 Paolo Gonzalez, Jincheng Dai, and Tom Xiaojun Wang, "2 Years Later: China' s Ban on Overseas Coal Power Projects and Its Global Climate Impacts" (Centre for Research on Energy and Clean Air, October 2023), https://energyandcleanair.org/wp/wp-content/uploads/2023/11/CREA_China-Overseas-Coal-2023_FINAL_10.2023.pdf.

28 Smith, "S.Korea's Moon Vows to End New Funding for Overseas Coal Projects," Reuters, April 22, 2021, sec. Energy, https://www.reuters.com/article/business/energy/skoreas-moon-vows-to-end-new-funding-for-overseas-coal-projects-idUSL4N2MF3R2/.

10 in Indonesia, and Vung Ang 2 in Vietnam.[29] This announcement led to the cancellation of KEPCO's planned 1,000-MW coal plant in Pangasinan, Philippines. Two years later, following record quarterly losses, the company announced that it would sell all overseas coal-fired power plants, including its 221-MW coal plant in Cebu, Philippines.[30]

As with Chinese banks, Korean banks also ceased financing coal in the region after the 2021 government announcement. The two Korean banks included in this report, Korea Development Bank and the Export-Import Bank of Korea, had written policies excluding, at least, overseas coal financing.

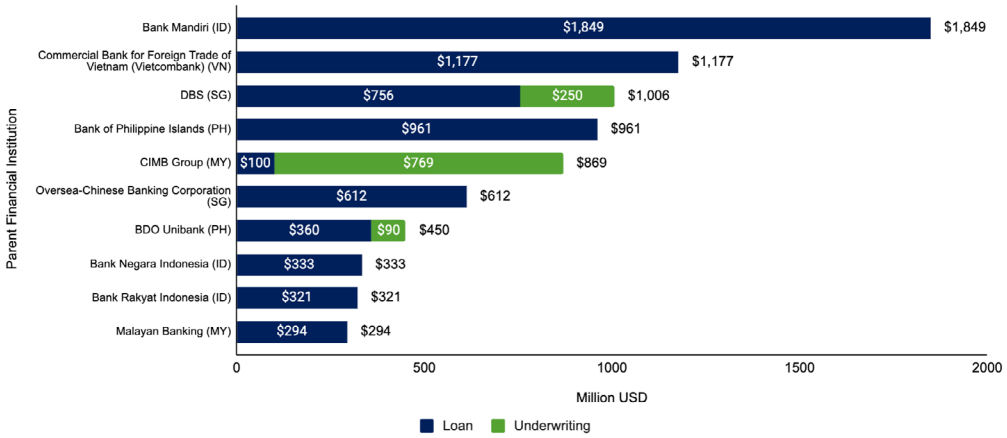
Japan also committed to stopping international investments by the end of 2021, but only for unabated coal.[31] A month after this commitment, JBIC announced that it would continue supporting overseas coal plans with carbon capture storage or ammonia co-firing,[32] expensive technologies that Japan has been touting as clean energy in the AZEC.

Four commercial Japanese banks assessed for this report–Mizuho Financial, SMBC, Sumitomo Mitsui Trust, and MUFJ–all had restrictions for new coal power plants, including expansion of existing ones. But notably, all of them remain open to financing projects as long as they have carbon capture storage or other low-carbon technology. This gap in their policies is despite commitments to zero financing for coal by 2040.

1.2.2. Indonesian, Vietnamese, Malaysian, and Filipino banks have significantly funded the domestic expansion of coal

The Southeast Asian banks with the biggest support for downstream coal in the region were from countries with the biggest operating capacity commissioned after the Paris Agreement: Indonesia, Vietnam, the Philippines, and Malaysia.

Figure 11. Total downstream coal project financing by domestic financing institutions, 2016 to 2024 (in USD million)



29 "South Korea's Move Away from Coal Leaves a Philippine Power Plant in Limbo," Mongabay Environmental News, October 26, 2020, https://news.mongabay.com/2020/10/south-koreas-move-away-from-coal-leaves-a-philippine-power-plant-in-limbo/.

30 "KEPCO to Sell All Overseas Coal Power Plants Following Record Losses - The Korea Times," The Korea Times, May 18, 2022, https://www.koreatimes.co.kr/business/companies/20220518/kepco-to-sell-all-overseas-coal-power-plants-following-record-losses.

31 Elizabeth Piper and Markus Wacket, "In Climate Push, G7 Agrees to Stop International Funding for Coal," Reuters, May 21, 2021, sec. Energy, https://www.reuters.com/business/energy/g7-countries-agree-stop-funding-coal-fired-power-2021-05-21/.

32 Yuka Obayashi, "JBIC to Support Exports of Coal Power Plants with CCS or Ammonia Co-Firing," Reuters, June 29, 2021, sec. Sustainable Business, https://www.reuters.com/business/sustainable-business/jbic-support-exports-coal-power-plants-with-ccs-or-ammonia-co-firing-2021-06-29/.

Indonesia has already prohibited the development of new coal-fired power plants in 2023, although this came with exceptions, including plants that have already been in the electricity supply business plan, captive coal plants or those that are integrated into industries, and those that commit to reduce GHG emissions by at least 35% within 10 years of commencing operations, among others.[33] The state-owned electricity utility PLN also stated that no new thermal plants will be built–only after the completion of a program that will add 35,000 MW, mostly coal capacity, to the national grid. Hence, despite the moratorium, a hundred plants will still be built and become operational for decades.[34]

Jakarta's reluctance to let go of coal is also evident even in its policies for renewable energy. The New and Renewable Energy bill being debated in the country's House of Representatives contains provisions that allow the development of coal derivative products such as coal gasification, coal liquefaction, and coal-bed methane.[35] The country's Ministry of Energy and Mineral Resources in 2023 also supported the integration of carbon capture, utilization, and storage in upstream oil and gas activities.[36]

Despite these developments that ultimately would prolong Jakarta's reliance on coal, Indonesian President Prabowo Subianto last year announced plans to retire all coal and other fossil fuel-based power plants in the next 15 years, or by 2040.[37] In line with this, the government stated its ambition to build over 75 GW of renewable energy capacity by 2040, although details on how the country plans to achieve this are yet to be provided.[38]

Given the ambitious but unclear energy plans of the country, Indonesian banks continue to finance coal, mainly for domestic power plants. The latest of this financing came from Bank Mandiri, which provided refinancing investment credit to Huadian Bukit Asam Power USD 1.27 billion in September 2024, to support the operation of Bangko Tengah, or Sumsel-8, power station.

The three Indonesian banks included in this report–Bank Negara Indonesia, Bank Rakyat Indonesia, and Bank Mandiri–have yet to create a policy excluding coal power plant financing. Both Bank Negara Indonesia and Bank Rakyat Indonesia, however, stated goals to reach net-zero by 2050 and 2060, respectively.

Like Indonesia, the Philippines implemented a moratorium on greenfield coal power plants and expansions, which is also subject to exemptions. The policy does not cover existing power plants that already have firm expansion plans and existing land site provisions, as well as indicative power projects with substantial accomplishments, such as signed and notarized land acquisitions or lease agreements, among others.[39]

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33 "Presidential Regulation 112: Indonesia's Commitment to Renewable Energy," Assegaf Hamzah & Partners Indonesia, accessed April 10, 2025, https://www.ahp.id/presidential-regulation-112-indonesias-commitment-to-renewable-energy/.

34 Hans Nicholas Jong, "Indonesia Says No New Coal Plants from 2023 (after the next 100 or So)," Mongabay Environmental News, May 12, 2021, sec. Environmental news, https://news.mongabay.com/2021/05/indonesia-says-no-new-coal-plants-from-2023-after-the-next-100-or-so/.

35 Tim Daiss, "Indonesia's NRE Bill Calls On Coal-Based Energy Sources," Energy Tracker Asia, March 18, 2024, https://energytracker.asia/indonesia-nre-bill/.

36 Jooyoung Song, "Indonesia's New CCS/CCUS Regulations: Promotion of Energy Transition in Southeast Asia," Akin Gump Strauss Hauer & Feld LLP, April 13, 2023, https://www.akingump.com/en/insights/blogs/speaking-sustainability/indonesias-new-ccsccus-regulations-promotion-of-energy-transition-in-southeast-asia.

37 Victoria Milko, "Indonesia's Prabowo Plans to Retire All Fossil Fuel Plants in 15 Years, but Experts Are Skeptical," AP News, November 22, 2024, sec. Climate, https://apnews.com/article/indonesia-coal-energy-transition-fossil-g20-cop-2d8fd110a855a37167d49211e65fc51d.

38 "Indonesia's New Coal Phase-out Goal Sets 'Daunting Task,'" France 24, December 11, 2024, https://www.france24.com/en/live-news/20241211-indonesia-s-new-coal-phase-out-goal-sets-daunting-task.

39 "Clarification on the Coverage of the Coal Moratorium Policy | Department of Energy Philippines," Department of Energy, July 19, 2024, https://doe.gov.ph/press-releases/clarification-coverage-coal-moratorium-policy.

Around 1.7 GW of coal capacity is expected to be added to the grid despite the moratorium.[40] The Philippine Energy Plan 2023-2050 shows that under a clean energy scenario, at least 19% of the country's energy mix will still be sourced from coal by 2040.[41] This goal is at odds with the Paris Agreement, which requires that all coal-fired power plants be shut down by 2040.

Despite the lack of commitment by the government to phase out coal, an increasing number of banks are starting to implement their own no-coal financing policies. Aside from the two banks included in this report, Banco de Oro and the Bank of the Philippine Islands, seven banks have committed to no longer finance new coal plants, or at least limit their loan exposure to coal below 3%. Some Philippine banks, however, only restrict financing to plants using ultrasuper critical and other similar technologies. Banco de Oro also stated that it may still consider extending capital to coal projects if the government implements provisional emergency measures to address the energy crisis.[42]

Two Malaysian banks are also among the biggest domestic financiers of coal power plants in the region, despite Kuala Lumpur receiving no coal financing itself since 2016. CIMB Group and Malayan Banking mainly financed coal in Indonesia and Vietnam; in particular, both banks were involved in Jakarta's Java 9 and 10 power plants, while Malayan Banking supported Vietnam's Nghi Son 2 Thermal Power Plant Project. It should be noted that both plants were built by Korean corporation Doosan Heavy Industries & Construction, while KEPCO was contracted by the government to operate the Nghi Son 2 power plant until 2047.[43] In 2023, domestic developer PT Indo Raya Tenaga entered into a memorandum of agreement with Doosan to make Java 9 and 10 the first hybrid power station in Indonesia, with the plants co-firing 60% of ammonia along with coal.[44]

Both Malayan Bank and CIMB committed to cease financing greenfield and expansion of existing coal plants, with the latter also committing to no longer entertain new clients who derive more than 25% of combined direct revenue from coal, and to no longer finance existing clients who get more than 50% of their power generation from coal.

Malaysia's government itself announced that the country would halve its coal fleet by 2035, and completely retire coal power plants by 2044.[45]

While Singapore also had no commissioned coal capacity in the last eight years, DBS Bank and the Oversea-Chinese Banking Corporation (OCBC) notably supported coal projects in Indonesia and Vietnam. Among the plants they financed were also Java 9 and 10, and Nghi Son 2, as well as the Central Java coal-fired power plant and the Van Phong 1 coal project.

40 "Summary of Committed Power Projects" (Department of Energy, February 28, 2025), https://doe.gov.ph/sites/default/files/pdf/electric_power/04_LVM%20Committed%20Summary_2.pdf.

41 Department of Energy, "Philippine Energy Plan 2023-2050 Volume I," 2024, https://doe.gov.ph/sites/default/files/pdf/pep/PEP%202023-2050%20%28Volume%20I%29.pdf.

42 "2025 Fossil Fuel Divestment Scorecard" (Center for Energy, Ecology, and Development, n.d.), https://ceedphilippines.com/wp-content/uploads/2025/04/2025-Fossil-Fuel-Divestment-Scorecard-1.pdf.

43 Seung-woo Kang, "KEPCO to Build Coal-Fired Power Plant in Vietnam," The Korea Times, November 9, 2017, https://www.koreatimes.co.kr/business/companies/20171109/kepco-to-build-coal-fired-power-plant-in-vietnam.

44 Cassandra Yap and Yuka Obayashi, "Asia's Ammonia Co-Firing Power Plant Trials," Reuters, March 19, 2024, sec. Commodities, https://www.reuters.com/markets/commodities/asias-ammonia-co-firing-power-plant-trials-2024-03-19/.

45 Vincent Tan, "Malaysia Plans to Retire All Coal-Fired Power Plants by 2044," Eco-Business, June 26, 2024, https://www.eco-business.com/news/malaysia-plans-to-retire-all-coal-fired-power-plants-by-2044/.

Both banks have committed to restricting financing for coal power plants, as well as to clients who derive 25 to 50% of their revenue from coal. Data shows, however, that DBS had continued extending project financing to coal power plants even after it implemented its coal policy in 2018. DBS provided USD 133.17 million for the development of the 1,320-MW Van Phong coal plant in Vietnam in 2019, and USD 250 million for Indonesia's Java 9 and 10 power plants in 2020. DBS stated that it had committed to Java 9 and 10 since 2017.[46]

The Monetary Authority of Singapore (MAS) launched the Transition Credits Coalition (TRACTION) in 2023 to help accelerate early coal retirements through carbon credits. The coalition, backed by international banks such as Citi, HSBC, Standard Chartered, and Mizuho, among others, will study the use of carbon credits through the two pilots in the Philippines.[47] The first pilot will be ACEN's 246-MW coal plant, which is up for retirement by the next decade, 25 years ahead of its technical life. The other plant will be the 200-MW coal plant in Mindanao, which is also under the ADB's Energy Transition Mechanism.[48]

One of the possible guidelines that the MAS, in line with the core carbon principles, might implement is that the host jurisdiction make commitments to no new CFPPs beyond what is already planned, and CFPP owners must commit to not financing other coal or coal-related businesses.[49] The Philippines has yet to make any coal phaseout announcement, and the current operator of the 200-MW coal plant in Mindanao, Aboitiz Power, is making moves to expand its existing coal plant in Cebu.[50]

Ranking all financial institutions involved in Southeast Asia's coal financing, eight of the 10 biggest coal supporters come from East Asia, and Bank Mandiri and Vietcombank will be the only domestic banks on the list. It is worth mentioning, however, that Vietcombank is partially owned by Mizuho, and Bank Mandiri has shareholdings from JP Morgan Chase, Bank of New York Mellon, Citibank, and HSBC.

JPMC has also provided equity to Bank Negara Indonesia, and Citi and HSBC both have shareholdings in OCBC, DBS, and Malayan Banking. BNP Paribas has equity investments in DBS, while Vanguard and BlackRock also have shares in CIMB.

46 Doré, David, "The DBS Interview," IJGlobal, July 7, 2021, https://www.ijglobal.com/articles/156493/the-dbs-interview.

47 Monetary Authority of Singapore, "TRACTION Members and Knowledge Partners," 2024, https://www.mas.gov.sg/-/media/mas-media-library/news/media-releases/2024/annex-b---traction-members-and-knowledge-partners.pdf.

48 David Fogarty, "MAS Launches Transition Credits Coalition to Hasten Coal Phase-Out," The Straits Times, December 4, 2023, https://www.straitstimes.com/world/mas-launches-transition-credits-coalition-to-hasten-coal-phase-out.

49 Monetary Authority of Singapore and McKinsey & Company, "Accelerating the Early Retirement of Coal-Fired Power Plants through Carbon Credits," September 2023, https://www.mas.gov.sg/-/media/mas-media-library/publications/monographs-or-information-paper/sg/accelerating-the-early-retirement-of-coalfired-power-plants-through-carbon-credits--sep-2023.pdf.

50 Maria Bernadette Romero, "AboitizPower Unit Targets New Coal Plant," Daily Tribune, February 29, 2024, https://tribune.net.ph/2024/02/28/aboitizpower-unit-targets-new-coal-plant.

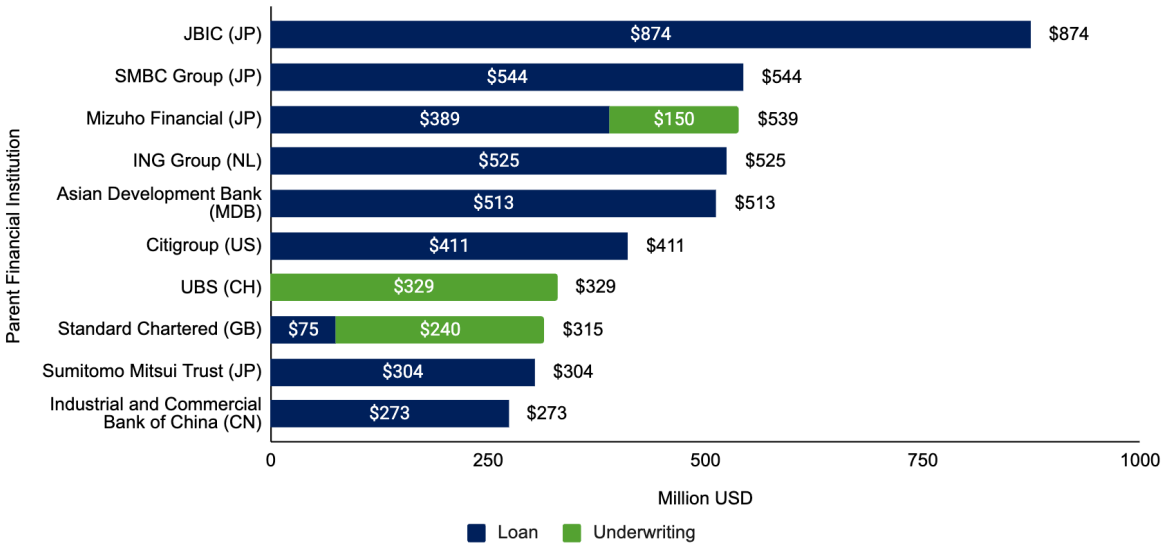
1.3. Gas Finance Ranking

1.3.1. Global North banks have enabled the fossil gas detour of Southeast Asia

Gas industry proponents have touted fossil gas as a "cleaner" alternative to coal, or as a "transition" fuel towards renewable energy. But while fossil gas does not emit as many greenhouse gases as coal or oil when burned, the fossil fuel leaks methane in every part of its life cycle: from extraction, during transportation, up to power plants, and in households where it is burned.[51] Methane is a potent greenhouse gas, and has 80 times the heat-trapping potential of carbon dioxide over a period of 20 years. Keeping the global temperature below 1.5°C, therefore, also necessitates cutting methane emissions–hence the Global Methane Pledge launched during the 26th Conference of Parties. The pledge, which is also signed by Malaysia, Vietnam, the Philippines, Indonesia, Singapore, and Indonesia, as well as Japan, the USA, the Netherlands, France, and Australia, aims to reduce global methane emissions at least 30% from 2020 levels by 2030.[52]

Despite the contribution of the fossil gas industry to climate change, some governments are welcoming the expansion of fossil gas in their respective countries, and even couching it as part of their energy transition. The Japan-led AZEC, which partnered with the same countries that signed the methane pledge, is notably promoting gas as a pathway to net-zero. Fossil gas and LNG have appeared eight and nine times, respectively, in AZEC MOUs since 2023.[53]

Figure 12. Total downstream gas project financing by international financing institutions, 2016 to 2024 (in USD million)



51 Brian Palmer, "Natural Gas 101," Natural Resources Defense Council, November 15, 2021, https://www.nrdc.org/stories/natural-gas-101.

52 "Global Methane Pledge," accessed April 11, 2025, https://www.globalmethanepledge.org/.

53 "Zero Emissions or Fossil Fuels? Tracking Japan's AZEC Projects," Zero Carbon Analytics, October 4, 2024, https://zerocarbon-analytics.org/archives/energy/zero-emissions-or-fossil-fuels-tracking-japans-azec-projects.

Numerous Japanese banks are among the biggest financiers of fossil gas in Southeast Asia, data shows. Export credit agency JBIC, as with coal, is the biggest supporter of gas, clearly reflecting the national policy of the country to support the expansion of fossil fuels. Japan was once the biggest importer of LNG, but demand for it has been dipping in recent years. The country's sprawling and mature gas system, therefore, will have to deal with a surplus of LNG purchase commitments by cultivating demand in other regions, specifically Southeast Asia, and investing in downstream gas infrastructure.[54] Among the gas power plant projects JBIC and the megabanks included in this report supported are the 2,500-MW plant in Rayong, Thailand, the 1,300-MW project in Batangas, Philippines, the 600-MW gas plant in Jurong Island, Singapore, and the 500-MW expansion of a power plant in Muara Karang, Indonesia.

BOX 2. Fossil gas buildout imperils Coral Triangle and other key biodiversity areas

The Coral Triangle, spanning seven countries in Southeast Asia and Melanesia, is a global hotspot for marine biodiversity and home to millions who depend on its ecosystems. This megadiversity, along with other key biodiversity areas, is being threatened by the expansion of fossil gas.

The power plants in Rayong, Batangas, and Muara Karang are situated on the coasts of bodies of water that fisherfolk and communities rely on for livelihood and sustenance. The buildout and expansion of fossil gas, along with other industrial complexes, result in pollution and disturbance that affect marine ecosystems as well as human health.

Batangas, one of the Philippines' major fishing grounds, is part of the Verde Island Passage, a marine corridor dubbed the Amazon of the Oceans due to its rich biodiversity. Local fisherfolk have complained of dwindling catch and limited fishing grounds due to the construction of gas infrastructure in the area.[55] In 2023, an oil spill also devastated the Passage when a tanker carrying 800,000 liters of industrial fuel sank on its waters. Nearby shores were covered in oil slick, and fisherfolk had to stop fishing for months; nearby resorts and establishments also had to shut down for a time.[56]

Similarly, fisherfolk in Rayong province, located on the eastern bank of the Gulf of Thailand, report shrinking catch but increasing costs of fishing as they had to go further out. Communities also complain of health problems as the waters of Rayong are considered Thailand's most toxic hotspot because of water pollution brought by unlawful hazardous waste disposal by the factories, and power and petrochemical plants.[57]

Fishers and mussel cleaners in Muara Karang also report getting sick with skin diseases and diarrhea because of the toxic and hazardous compounds dumped by industrial complexes and power plants in the rivers flowing to Jakarta Bay. After divers brave the toxic and murky waters for mussels, women will have to thoroughly clean them before sending them to markets. One expert said that people who consume fish from Jakarta Bay are "susceptible to cancer and degenerative diseases like kidney failure."[58]

Along with Mizuho, JBIC, and SMBC, the Industrial and Commercial Bank of China financed gas projects in Rayong.

ING, which announced in previous years its financial exclusion of upstream oil and gas, as well as export terminals, had financed gas power plants in East Java and Aceh, Indonesia. The financial institution also supported the Nhon Trach 3 and 4 plants in Vietnam, together with US-based Citibank.

Asian Development Bank, to which Japan is a major contributor, is also a significant source of gas power plant financing in the region. The ADB has put some limitations on supporting fossil gas, but not enough to totally curb its support for the fossil fuel. Among the conditions the bank set for financing gas projects is that there are no other low-carbon or zero-carbon technologies that can provide the same service at an equivalent or lower cost at a comparable scale. The bank's Guidance Note on

54 Reynolds and Doleman, "Japan's Largest LNG Buyers Have a Surplus Problem."

55 Cherry Salazar, "The Last Fishermen of Ilijan," Rappler, March 11, 2023, https://www.rappler.com/environment/last-fishermen-barangay-ilijan-batangas-city-pcij-report/.

56 Gaea Katreena Cabico, "Mindoro Oil Spill Damage Valued at P41.2B — Report," Philstar.Com, February 26, 2024, https://www.philstar.com/headlines/climate-and-environment/2024/02/26/2336272/mindoro-oil-spill-damage-valued-p412b-report.

57 Center for Energy, Ecology, and Development, "Documentary | Thai Communities at Risk from Decades of Fossil Fuel Exposure in Rayong – Energy Shift Southeast Asia," Energy Shift SEA, accessed April 14, 2025, https://energyshiftsea.org/documentary-thai-communities-at-risk-from-decades-of-fossil-fuel-exposure-in-rayong/.

58 "The Plight of Jakarta Bay's Mussel Men and Women: 'Death Can Happen Anywhere' - City," The Jakarta Post, February 26, 2019, https://www.thejakartapost.com/news/2019/02/26/the-plight-of-jakarta-bays-mussel-men-and-women-death-can-happen-anywhere.html.

fossil gas also provides that the project's operating lifetime should be consistent with the trajectory of carbon neutrality by 2050, and that the project should be economically viable considering carbon's social cost.[59]

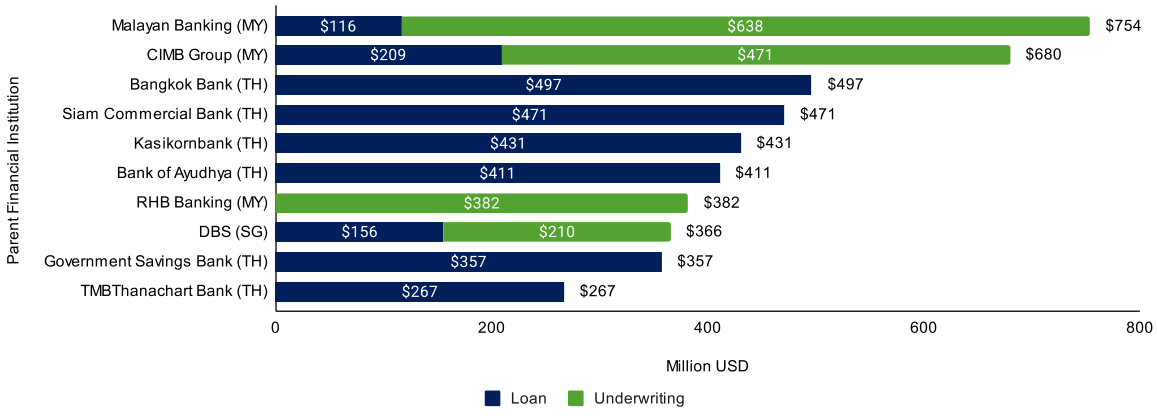
The ADB has financed gas projects in Riau, Indonesia, and Rayong, Thailand.

Notably, UBS and Standard Chartered delivered most of their support through underwriting. Both of these banks helped San Miguel, the partial owner of the two fossil gas power plants and an LNG terminal in Batangas, tap on senior perpetual bonds to finance the company's gas development.

1.3.2. Malaysian and Thai financiers bankrolled massive gas expansion in the region

The biggest Southeast Asian financiers of fossil gas plants in the region were banks from Malaysia and Thailand–the two countries with the most commissioned gas capacity in the region since the Paris Agreement in 2016.

Figure 13. Total downstream gas project financing by domestic financing institutions, 2016 to 2024 (in USD million)



electricity from gas, and 15.96% from coal. Most of Thailand's gas came from the offshore production in the Gulf of Thailand or imports through Myanmar's pipeline. But the country's domestic production has been declining, pushing it to import around 40% of its total gas supply.60 From 2016 up to last

59 Asian Development Bank, "Guidance Note on Natural Gas Operations," July 5, 2023, https://www.adb.org/sites/default/files/institutional-document/900331/energy-guidance-note-natural-gas.pdf.

60 "Natural Gas & Energy In Thailand | Thailand Energy Sources," Asia Natural Gas & Energy Association, accessed April 15, 2025, https://angeassociation.com/location/thailand/.

year, Thailand has commissioned 9 mtpa of gas import terminal capacity–the second biggest among its neighboring countries. Bangkok is also planning to install 17.8 GW more of import capacity to supply its power needs.[61]

As Thailand imports LNG from Malaysia, Australia, the United States, and Indonesia, among others, it has faced rising fuel costs, which its state-owned utility EGAT had to subsidize starting in 2021. This subsidy led to financial losses for EGAT, which previously stated that it would be unable to shoulder more subsidies until this year.[62] Despite this, the government still slightly lowered electricity prices for the first quarter of 2025 to alleviate consumer burdens before addressing EGAT's losses.[63]

Thailand's draft power development plan sees the share of renewables take up 51% of the mix by 2037. However, gas is still being seen to make up 41% of the mix by the same period.[64]

Amid Bangkok's continued reliance on fossil gas, the country's second-largest bank, Siam Commercial Bank, has committed to not providing financial support to companies supporting the development of LNG infrastructure built to support unconventional oil and gas activities. Meanwhile, Kasikorn Bank has stated in its policy that it will not provide new loans for fossil gas power plants that do not use low-carbon technology to reduce their emission intensities.

Malaysia, the fifth largest LNG exporter globally, has some of its biggest banks among the ranks of the most significant supporters of gas power plants in the region. Aside from financing the development of their local gas projects, CIMB and Malayan Banking were also involved in the development of a 2,500-MW gas power plant in Rayong. Malayan Banking, the country's biggest bank according to asset size, also supported the 800-MW combined cycle gas turbine power generation facility in Jurong Island, Singapore.

Malaysia sources 47% of its total energy supply from fossil gas, while its electricity sources 34% from fossil fuel. Like Thailand, however, Kuala Lumpur is seeing a dwindling production of fossil gas,65 which, inevitably, according to the country's minister of economy, means preparing for expanding LNG imports.66 The country's national energy transition roadmap also shows that fossil gas will remain a major source of energy; by 2050, gas will still constitute 56% of Malaysia's total primary energy supply.[67]

61 "Southeast Asia at a Crossroads."

62 "Global LNG Outlook 2024-2028" (Institute for Energy Economics and Financial Analysis, April 2024), https://ieefa.org/sites/default/files/2024-04/Global%20LNG%20Outlook%202024-2028_April%202024%20%28Final%29.pdf.

63 Lin Bo-yu, "Thailand Cuts Electricity Prices to Alleviate Public Burden," Reccessary, January 2, 2025, https://www.reccessary.com/en/news/th-regulation/thailand-cuts-electricity-prices-alleviate-public-burden.

64 Yuthana Praiwan, "A Closer Look at the New Energy Plan," Bangkok Post, June 20, 2024, https://www.bangkokpost.com/business/general/2814454/a-closer-look-at-the-new-energy-plan.

65 "Peninsular Malaysia's Oil and Gas Production Dropped by Half over Last Decade: Economy Minister," CNA, November 18, 2024, https://www.channelnewsasia.com/asia/malaysia-oil-gas-production-peninsula-rafizi-ramli-decline-sabah-sarawak-petronas-4754251.

66 Ying Ting Lew, "Malaysia to Launch National Gas Roadmap by Q3, Says Economy Minister," S&P Global Commodity Insights, February 14, 2025, https://www.spglobal.com/commodity-insights/en/news-research/latest-news/lng/021425-malaysia-to-launch-national-gas-roadmap-by-q3-says-economy-minister.

67 "National Energy Transition Roadmap" (Ministry of Economy, August 29, 2023), https://ekonomi.gov.my/sites/default/

When Southeast Asian banks are ranked together with international financiers, half of the 10 biggest supporters of gas power plants come from Malaysia and Thailand. Notwithstanding the actual contribution of these banks to fossil gas expansion in their own or neighboring countries, in accordance, as well, with their own government policies, it is worth noting that the Southeast Asian banks this report assessed have received equities from Global North financing institutions, particularly from the United States and Europe.

Citi and HSBC, for example, have equity in Malayan Bank. Vanguard and BlackRock also have shares in Malaysia's RHB Banking and CIMB. Meanwhile, Thailand's Siam Commercial Bank has received equity investments from French bank BNP Paribas, and American institutions State Street and Bank of New York Mellon. State Street and BNY Mellon also have shareholdings in Thailand's Kasikorn. Dutch multinational bank ING also has shareholdings in Thailand's TMBThanachart, while Japanese bank MUFG holds equities in Bangkok's Bank of Ayudhya.

BOX 3. Philippine banks record no new financing for fossil fuels in 2024

For the first time since the Paris Agreement, local banks in the Philippines funneled no finance to coal and gas for the year 2024. This comes after these domestic financial institutions provided record-breaking financing towards renewable energy in 2023, amounting USD 1.6 billion.

This lack of deals likely reflects the banks' aversion to the increasing risks of the fossil fuel industry. Dragging power supply agreement approval, uncertainties and shifting pronouncements from generation companies on the fuel to be used for plants, fluctuating prices of coal and gas in the global market, as well as the palpable pressure from communities affected by the pollution from the industry and aggravating climate crisis, all contribute to the riskiness of the industry.

Come the first months of 2025, however, banks backed the gas investment of energy giant Meralco and also provided loans to First Philippine Holdings Corp., whose subsidiary operates gas facilities in the country. Notably, these transactions took place after a law supporting the development of the gas industry in the Philippines was passed.

These reflect the critical role of the government in setting policies and regulations that would rechannel financial flows to renewable energy, instead of the increasingly unbankable fossil fuels.

1.4. Despite seemingly dwindling project financing, international banks have substantial stakes in fossil fuel development in Southeast Asia

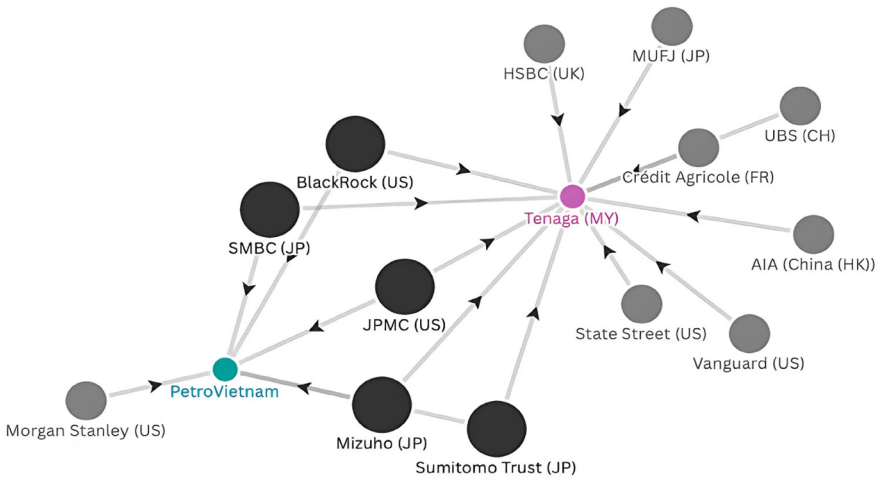
As mentioned earlier, while Global North financiers have seemingly laid their hands off coal and gas in the region, there remains their palpable presence in Southeast Asia's fossil fuels. Aside from holding shares in domestic banks that pour financing for fossil-based power plants, Global North financiers provided equity investments in the biggest domestic coal and gas developers. At times, the Global North countries are the ones developing the power plants themselves.

Some of the biggest coal developers since the Paris Agreement until last year were companies from Japan, China, and South Korea. And even as the world bangs the bells to exit coal, developers from France, the US, Australia, and China plan to continue developing new coal capacity in Southeast Asia. Meanwhile, local developers receive substantial equity backing from American, European, and

files/2023-08/National%20Energy%20Transition%20Roadmap.pdf.

Japanese financiers.

Figure 14. Big financing institutions have stakes in local coal developers



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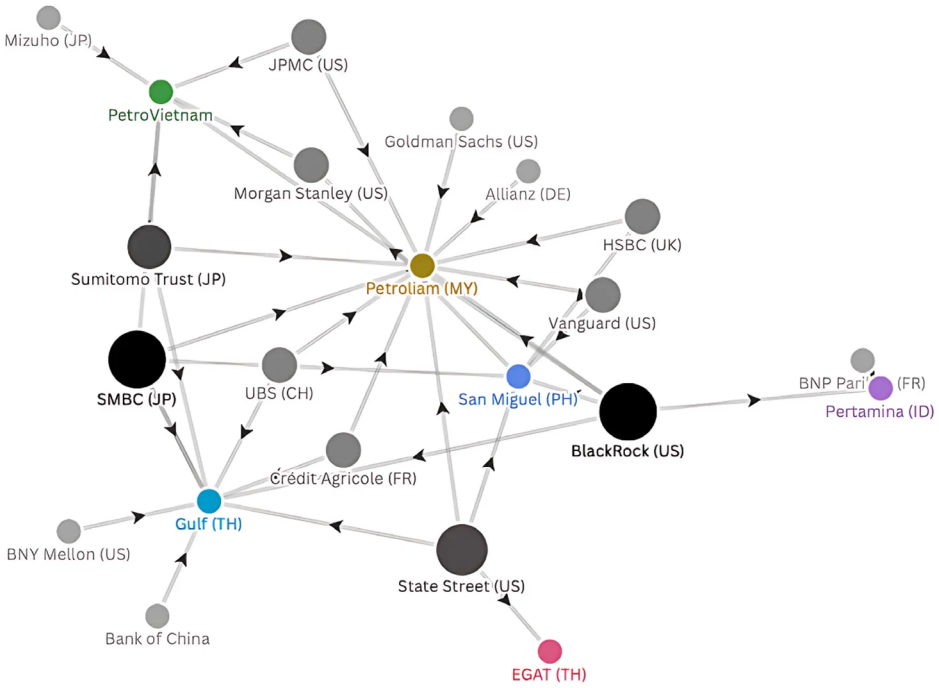
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JPMC (US)
PetroVietnam
Goldman Sachs (US)
Morgan Stanley (US)
Allianz (DE)
HSBC (UK)
Sumitomo Trust (JP)
Petroliam (MY)
Vanguard (US)
SMBC (JP)
UBS (CH)
San Miguel (PH)
BNP Pari
(FR)
Pertamina (ID)
BlackRock (US)
Crédit Agricole (FR)
Gulf (TH)
BNY Mellon (US)
State Street (US)
Bank of China
EGAT (TH)

1.5. Banks are riding the ESG wave, but still lack substantial efforts to turn the tide on climate change impacts

The banks assessed in this Scorecard all notably have, albeit in varying degrees, integrated environmental and social risk in their policies. This means that these financing institutions are recognizing the impact of their investments and operations on communities and the environment, and are somehow taking efforts to mitigate possible harm. But whether these initiatives have a material contribution to limiting global warming is a different matter.

1.5.1. Loopholes in exclusion policies allow financing leakage to the coal industry

Of the 35 banks covered by this report, only nine–most of which come from China and Indonesia–have yet to implement any exclusion policy for existing and new capacity of coal plants and coal companies. These banks are China Construction Bank, Industrial and Commercial Bank of China, China Development Bank, Export-Import Bank of Thailand, Bangkok Bank, Bank Rakyat Indonesia, Bank Negara Indonesia, Bank Mandiri, and Vietcombank.[68]

Chinese banks with a written policy on coal only exclude financing for overseas coal. The same is true for the Export-Import Bank of Korea. Indonesian banks are clear laggards when it comes to coal exclusion policies, which might be rooted in Jakarta's policies that strengthen coal reliance.

Banks from the United States and Europe included in this report all have coal financing exclusion policies. These policies are limited, however, to certain sizes, uses, and technologies employed in the plants. For one, UBS committed to no longer providing project-level finance for new CFPPs globally, but will allow support for financing transactions of coal operators that only derive 20% of revenue from coal and that have a transition strategy. Meanwhile, ING exempts from its policy coal plants dedicated to specific industries, and Citigroup might allow financing for the low-carbon transition of the project. UBS has not committed any coal phase out, and has scrapped the commitment of its acquired Credit Suisse bank to reduce coal exposure to 5% by 2030. ING promises an earlier target date, stating that it will have no lending to individual CFPPs by 2025 (which might not include captive power plants).

Restricting financing to corporations based on their derived revenue from coal, however, could still result to continued coal support. This is especially true if a company has a diversified source of revenue—the share of coal in a company's revenue could drop if the combined value of its income increases, even without any effort from the firm to size down its coal business. Hence, banks should instead restrict based on coal generation, which would be more effective in measuring a firm's efforts to reduce its coal reliance.

Japanese banks also keep open opportunities for coal power plants with low-carbon technology or carbon capture, use, and storage, and the same is true for Korea Development Bank. They committed to cease support for new coal plants, but consider supporting those built with CCUS. This, despite commitments, specifically from megabanks SMBC, Sumitomo Mitsui Trust, Mizuho, and MUFJ, to zero the balance of coal project finance and corporate lending by 2040.

The coal financing exclusion policies of some Thai banks are relatively specific regarding covered financing activities, which ensures clarity for stakeholders that even capital market activities are prohibited. This is notable given that some banks announce vague coal exclusion policies, but hide

68 While Chinese president Xi Jinping announced ceasing overseas coal financing, banks that did not reflect this pronouncement in written policy are considered as having no coal plant financing exclusion.

in the details that they will still provide underwriting services, which essentially allows continued financial flow to coal. Thai banks with coal policies have committed to phase out their financing by 2030, except for Siam Commercial Bank, which only announced a target of net-zero in lending and investment by 2050.

Malaysian and Philippine banks included in this report have also restricted financing for new CFPPs and the expansion of existing ones, although financing institutions based in the latter do not clarify whether capital market activities are also covered in their policies. Only CIMB and the Bank of Philippine Islands have committed to a coal phaseout by 2040 and 2032, respectively. Manila-based Banco de Oro only committed to limiting its portfolio's coal exposure below 2%, while Kuala Lumpur's RHB Banking plans to take a phased approach on exiting coal but provided no timeline.

Notably, only 14 out of 35 banks have put in place some restrictions for companies with coal-related activities, while others are only restricting finance on a project-level. The most restrictive out of all financing institutions assessed is Government Savings Bank Thailand, which included the coal industry in its exclusion list, effectively barring coal-related companies from accessing financing from the bank. Companies that derive 20% of their revenue from coal are also in the ESG Exclusion List of Kasikorn.

Other banks assess clients according to the percentage of revenue or power generation that a client company derives from coal. Citigroup commits to not extend capital or provide financial services to existing clients without transition plans, and to now onboard new customers with 20% power generation from coal. OCBC adopts the same policy as Citigroup, and DBS stated that it will stop financing existing clients that derive 50% of their revenue from coal by 2026.

1.5.2. Only two banks have some restrictions for financing gas plants, while a number of financial institutions label fossil gas as a clean fuel

While some banks, such as ING and Standard Chartered, have policies regarding gas financing, they only at most cover upstream or unconventional activities and not gas power plants. Only ADB and Kasikorn have some degree of restriction for gas-fired plants.

As mentioned, ADB will only support fossil gas plants that meet certain conditions of the bank, including that the operating lifetime of the projects be consistent with pathways for carbon neutrality by 2050.

Kasikorn states that it will not provide new loans for operators of fossil gas power plants that do not use low-carbon technology to significantly reduce emission intensity. The bank, however, has not provided more information as to what "low-carbon technology" it is referring to.

The lack of policies restricting financing for gas plants reflects the perception of the banks of fossil gas as a relatively "cleaner" fuel than coal, and works in parallel with the inclusion of fossil gas or LNG in some of the banks' eligible activities for sustainable or transition finance. This notion also stems from the sustainable finance taxonomy provided by central banks, classifying fossil gas projects, along with other false solutions such as fossil fuel plants co-firing hydrogen/ammonia, as enabling or transitional activities.

The ASEAN Taxonomy for Sustainable Finance, which serves as a parallel or reference of other central banks in formulating their respective taxonomies, does not have a specific provision regarding fossil gas. Its text implies, however, that it considers gas as a transition fuel, stating, "Considering that a significant portion of the [coal] capacity is at the pre-construction stage, emphasis is being placed on alternative sources such as transitional fuels (i.e., natural gas, biowaste, etc.) and renewables."[69]

Singapore's taxonomy directly indicates that abated fossil gas projects are among the transition activities.[70] Moreover, the taxonomy states that a major decarbonisation lever for Singapore is to use hydrogen or its derivatives as a fuel to replace fossil gas in power plants. DBS and OCBC's sustainable or transition frameworks also adopt these, considering coal-to-gas and plants co-firing with hydrogen as transition activities.

On the other hand, while Thailand excluded new fossil gas plants (projects that received construction permits after 2023) in their taxonomy, they considered as a green activity the conversion of existing gas plants to use green hydrogen, as long as the emission intensity of the plant is less than 100 gCO2e/kWh until 2040, and less than 50 gCO2e/kWh thereafter.[71] Among the seven Thai banks assessed in this report, only the Export-Import Bank of Thailand and Bank of Ayudhya allow hydrogen projects to avail of their sustainable finance products. The sustainable finance taxonomies of both institutions exclude fossil fuels. Other banks, meanwhile, do not have specific policies regarding fossil gas or other false solutions.

Indonesia's taxonomy identifies as green electricity generation from gas power plants but with conditions that the plants' lifecycle emissions be less than 100 gCO2e/kWh, and for facilities equipped with CCS to meet certain conditions for the technology, including that the carbon transported from capture point to injection point not lead to leakages above 0.5% of CO2 by mass on an annual basis, among others.[72] It is also worth mentioning that the taxonomy classifies financing for a CFPP a green activity if the power plant is captive to a unit involved in the processing or mining of critical minerals. Following Indonesia's taxonomy, Bank Negara Indonesia and Bank Mandiri also tagged gas as transition fuel, while Bank Rakyat Indonesia did not have a specific provision for it.

Malaysia, meanwhile, does not have a specific provision for fossil gas, but considers the production of "zero carbon fuels, e.g. hydrogen, ammonia, etc." under renewable energy.[73] CIMB states that fossil gas will play a key transitional role to support the stability of renewable energy, and Malayan Banking allows fossil gas and the retrofitting of coal plants to co-fire hydrogen/ammonia to be eligible for transition finance. RHB Banking's Green and Sustainable Finance, as well as its Sustainability Sukuk and Bond Framework, also allow transactions towards hydrogen and ammonia production as long as the process is powered by renewables only.

69 "ASEAN Taxonomy for Sustainable Finance Ver. 3" (ASEAN Taxonomy Board, April 25, 2024), https://www.theacmf.org/images/downloads/pdf/ASEAN-Taxonomy-Version-3.pdf.

70 "Singapore-Asia Taxonomy for Sustainable Finance | 2023 Edition" (Monetary Authority of Singapore, December 2023), https://www.mas.gov.sg/-/media/mas-media-library/development/sustainable-finance/singaporeasia-taxonomy-dec-2023.pdf.

71 "Thailand Taxonomy Phase I" (Thailand Taxonomy Board, June 2023), https://www.bot.or.th/content/dam/bot/financial-innovation/sustainable-finance/green/Thailand_Taxonomy_Phase1_Jun2023_EN.pdf.

72 "Indonesia Taxonomy for Sustainable Finance Version 2" (Indonesia Financial Services Authority, February 2025), https://keuanganberkelanjutan.ojk.go.id/keuanganberkelanjutan/BE/uploads/berita/files/file_ab4a6f48-5d21-4739-866f-527c5b27dc5c-24022025161628.pdf.

73 "Climate Change and Principle-Based Taxonomy" (Bank Negara Malaysia, April 30, 2021), https://www.bnm.gov.my/documents/20124/938039/Climate+Change+and+Principle-based+Taxonomy.pdf.

Finally, the Philippines' taxonomy does not have a specific provision for fossil gas, hydrogen, or ammonia.[74] The Bank of the Philippine Islands also does not have a policy regarding the said fuels. However, Banco de Oro's sustainable finance allows for energy storage systems, including power-to-hydrogen through water electrolysis powered by renewables or other low-carbon energy sources with emissions intensity up to 100 gCO2e/kWh.

1.5.3. Most banks that committed to align with the Paris Agreement are still yet to release 1.5°C-aligned pathways

All banks assessed for this report committed to align or contribute with the Paris Agreement goal of limiting global warming below 1.5°C. Not all of them however, have comprehensive pathways or strategies to show how exactly they plan to align with that goal.

Banks have integrated environmental and social risks in their investment decisions, but most of them are yet to provide decarbonization targets for their portfolio to actually minimize or avoid such risks. Of the 35 banks, only 11 of them have developed sector-specific net-zero pathways. They are: DBS, Oversea-Chinese Banking Corporation, Siam Commercial Bank, CIMB, RHB Banking, Malayan Banking, MUFJ, SMBC, Citigroup, ING, Standard Chartered and UBS. These banks published emission reduction targets and pathways for emitting sectors such as fossil fuel, power, cement, transport, and real estate among others.

But while these banks have net-zero pathways, only Singapore's DBS and the Netherlands' ING have a published framework on how their institution engages clients to transition away from fossil fuels. Of note is ING's client assessment tool, which collects and assesses client's publicly disclosed data on their climate transition plans, including their current emissions, their targets, and whether there are action plans, governance and strategy in place.

All 35 banks assessed also offer sustainable financing for climate resilience, mitigation, and adaptation, although some initiatives are not as comprehensive as others. For one, some of the banks, such as Bank of Ayudhya, Bangkok Bank, and China Construction Bank, only offer finance for green buildings, renewable and efficient energy, or electric vehicles, and have not published other usage of their sustainable finance. In contrast, RHB Banking, Banco de Oro, as well as Mizuho, among other banks, offer financing for climate mitigation and adaptation such as infrastructure to adapt with rising sea levels, waste reduction in coastal and marine environments, or housing loans specifically for disaster-affected customers.

More than half of the banks assessed also committed to increase their sustainable finance, which includes support for renewable energy. Only ING, however, announced a concrete target for its renewable energy investment, pledging to grow renewable power generation financing to Euro 7.5 billion annually.

1.5.4. Faltering commitments signal potential policy backsliding

After climate-denying Donald Trump won a second term as America's president, six of the biggest US banks withdrew their membership from the Net-Zero Banking Alliance: Citigroup, JP Morgan, Bank of America, Morgan Stanley, Wells Fargo, and Goldman Sachs. This is in expectation of an "anti-woke attack" and political backlash versus climate action.[75]

74 "Philippine Sustainable Finance Taxonomy Guidelines" (Bangko Sentral ng Pilipinas, February 21, 2024), https://www.bsp.gov.ph/Regulations/Issuances/2024/1187.pdf.

75 Damien Gayle, "Six Big US Banks Quit Net Zero Alliance before Trump Inauguration," The Guardian, January 8, 2025, sec. Business, https://www.theguardian.com/business/2025/jan/08/us-banks-quit-net-zero-alliance-before-trump-inauguration.

Citigroup, one of the founding members of the alliance, stated that it will "remain committed to reaching net zero and continue to be transparent about our progress."[76]

In February this year, the US Securities and Exchange Commission watered down its rule requiring publicly-traded companies to disclose their climate-related risks.[77] Weeks later, the Office of the Comptroller of the Currency, which charters, regulates, and supervises all national banks, federal savings associations, and federal branches and agencies of foreign banks, rescinded its guidance for banks on climate-related financial risks.78 The agency in February also withdrew from the Network of Central Banks and Supervisors for Greening the Financial System, stating that participating in the network is beyond the agency's responsibilities and does not align with its regulatory mandate.[79]

In March and April, SMBC, MUFJ, and Mizuho followed suit and also withdrew from the NZBA.[80] In total, 19 financing institutions have left the alliance since December 2024–including four banks included in this report: Citigroup, SMBC, MUFJ, and Mizuho.

Amid this series of departures, the NZBA recently revised its guidelines for members, softening requirements for banks. For one, in its 2024 guidelines, the alliance made it mandatory that banks set a 2050 target to support meeting an outcome of 1.5°C by the end of the century and a net-zero by 2050 goal. After NZBA's revision, this requirement simply became a recommendation, stating that banks "should set a 2050 target to support meeting a net-zero goal and the goals of the Paris Agreement," notably removing the explicit 1.5°C by the end of the century target.[81]

76 "Statement Regarding the Glasgow Financial Alliance for Net Zero and Net Zero Banking Alliance," Citigroup, December 31, 2024, https://www.citigroup.com/global/news/perspective/2024/statement-glasgow-financial-alliance-net-zero-banking-alliance.

77 Moriah Costa, "SEC Moves to Freeze Its Climate Disclosure Rule," Green Central Banking, February 17, 2025, https://greencentralbanking.com/2025/02/17/sec-moves-to-freeze-its-climate-disclosure-rule/.

78 Kanishka Singh, "US Regulator OCC Withdraws Guidance to Banks for Climate-Related Financial Risk," Reuters, April 1, 2025, https://www.reuters.com/sustainability/cop/us-regulator-occ-withdraws-guidance-banks-climate-related-financial-risk-2025-03-31/.

79 "Acting Comptroller Issues Statement on OCC's Withdrawal from International Climate Organization," Office of the Comprtroller of the Currency, February 11, 2025, https://www.occ.gov/news-issuances/news-releases/2025/nr-occ-2025-10.html.

80 "Members | Net-Zero Banking Alliance," United Nations Environment Programme Finance Initiative, accessed April 18, 2025, https://www.unepfi.org/net-zero-banking/members/.

81 Mark Segal, "Net Zero Banking Alliance Drops Requirement to Align Financing with 1.5°C," ESG Today, April 16, 2025, https://www.esgtoday.com/net-zero-banking-alliance-drops-requirement-to-align-financing-with-1-5c/.

2. OVERALL SCORES

2.1. JBIC is the dirtiest foreign financier in Southeast Asia

JBIC's financing for both coal and fossil gas power plants are the highest compared to other international banks, and even against Southeast Asian banks. The institution's cumulative coal plant project financing from 2016 to 2024 is three times more than the foreign bank that followed it; JBIC funneled a total of USD 6.413 billion over the past eight years, while the Industrial and Commercial Bank of China provided USD 1.942 billion during the same period.

JBIC's high score is also attributable to its limited policies–for one, its coal exclusion policy only covers unabated coal, and on a project-level basis only. The bank also failed to set any timeline to phase out its coal and gas financing.

While JBIC stated that it is committed to pursuing ambitious and accelerated efforts to reduce its operational emissions to net-zero by 2030, and its finance portfolio by 2050, the institution showed no concrete pathway or roadmap as to how they will do this. Moreover, while JBIC opens grievance mechanisms for its projects, the bank has yet to show efforts to actually resolve complaints filed by affected communities. For one, the bank refused to take accountability despite finding in its investigation that the construction of the Batangas gas terminal, of which JBIC was an investor of AG&P, the company that developed the project, resulted in violation of some Philippine laws.[82]

82 "We Will Not Be Fooled by JBIC's Attempt to Wash Its Hands of Any Accountability!," Protect VIP, January 30, 2025, https://www.protectvip.org/post/we-will-not-be-fooled-by-jbic-s-attempt-to-wash-its-hands-of-any-accountability.

2.2. Overall International Coal Ranking

As shown in the previous sections of this report, East Asians are the biggest funder of coal plant projects in the region. Some of the financiers from China and South Korea, such as both countries' export-import banks, have policies that prohibit overseas coal financing, mainly following government pronouncements. However, the China Construction Bank, Industrial and Commercial Bank of China, and the China Development Bank failed to reflect in their own policies the government's announcement of ceasing support for foreign coal.

The Japanese megabanks–SMBC, Mizuho, and MUFJ–all have coal policies and target to phase out coal financing by 2040. However, these banks remain open to supporting coal if the projects are geared with "low-carbon technologies." Moreover, in the past few weeks, these same banks withdrew from the United Nations-backed Net-Zero Banking Alliance.

Table 1. Overall Scores of International Coal Power Financiers

Rank	Parent Financial Institution	Financing Score	Coal Divestment Policy	Sustainability Policies	Overall Score
1	JBIC (JP)	4	0.500	0.333	3.853
2	Industrial and Commercial Bank of China (CN)	2	0.000	0.500	1.980
3	China Development Bank (CN)	2	0.000	0.667	1.973
4	Korea Eximbank (KR)	2	0.500	0.583	1.917
5	China Eximbank (CN)	2	0.500	0.500	1.920
6	Bank of China (CN)	2	0.500	0.417	1.923
7	Mizuho Financial (JP)	2	2.125	1.083	1.702
8	Mitsubishi UFJ Financial (JP)	2	2.250	0.750	1.700
9	SMBC Group (JP)	2	2.375	0.750	1.685
10	China Construction Bank (CN)	1	0.000	0.583	0.988

Note: The highest score a bank can get for each criteria is 5 points. A higher financing score denotes higher financing for coal and gas. However, a higher score for divestment and sustainability policies mean better quality of policies by the bank. Higher policy scores do not completely offset the coal and gas financing of the bank, as substantiated with the latter being given a greater weight when computing the overall score. Hence, a higher overall score indicates poor sustainable performance by the bank.

Among the 10 banks in this list, Mizuho received the highest score for its sustainability policies. The bank stated that it requests clients to develop a strategy for shifting to a low-carbon society, and set quantitative targets and/or medium and long-term key performance indicators for this strategy, among others. However, the bank did not state any deadline for its clients' submission of transition strategy or their actual transition to low-carbon.

2.3. Overall International Gas Ranking

Given their massive support in erecting gas facilities in Southeast Asia, Japanese banks JBIC, Sumitomo Trust, SMBC, Mizuho, and are among the 10 foreign banks with the biggest exposure to downstream gas project financing. They are joined by Citigroup, ING, UBS, and Standard Chartered, as well as the Industrial and Commercial Bank of China. None of them have enacted any policy restricting financing for gas power plants.

ING has set policies on fossil gas, but only for other sectors in the industry. The bank restricted financing for upstream oil and gas in 2023, and extended this restriction to new export terminals of liquified natural gas by 2026. The bank remains in the rankings, however, due to its relatively large gas financing and lacking policy for gas power plants.

Multilateral development bank Asian Development Bank, of which Japan and the United States are major contributors, is also among the biggest funders of gas plants in the region. Its limited restriction on gas financing is not enough to improve its standing relative to other banks, nor is it enough to actually curb the bank's support for fossil fuel.

Table 2. Overall Score for International Gas Financiers

Rank	Financier Parent	Financing Score	Gas Divestment Policy	Sustainability Policies	Overall Score
1	JBIC (JP)	3	0	0.333	2.980
2	Sumitomo Trust (JP)	2	0	0.583	1.977
3	SMBC Group (JP)	2	0	0.750	1.970
4	UBS (CH)	2	0	0.833	1.967
5	Citigroup (US)	2	0	0.917	1.963
6	Standard Chartered (UK)	2	0	0.917	1.963
7	Mizuho Financial (JP)	2	0	1.083	1.957
8	ING Group (NL)	2	0	1.333	1.947
9	Asian Development Bank	2	0.5	0.750	1.910
10	Industrial and Commercial Bank of China (CN)	1	0	0.500	0.990

Note: The highest score a bank can get for each criteria is 5 points. A higher financing score denotes higher financing for coal and gas. However, a higher score for divestment and sustainability policies mean better quality of policies by the bank. Higher policy scores do not completely offset the coal and gas financing of the bank, as substantiated with the latter being given a greater weight when computing the overall score. Hence, a higher overall score indicates poor sustainable performance by the bank.

ING received the highest sustainability score among other banks, both domestic and international. Of note in their policies is their development of a tool that scores clients' publicly disclosed data on their climate transition plans, emissions, targets, governance and strategy in place. This, then, forms the basis of their engagement with clients.

Moreover, the bank set a concrete renewable energy target of growing renewable generation portfolio to Euro 7.5 billion annually. ING is the only bank to make such a concrete commitment among other banks assessed for this report. Other financial institutions, such as Citigroup, RHB Banking, Sumitomo Trust, and CIMB, among others, made general commitments to increase their sustainable finance, which includes support for renewable energy.

2.4. Overall Domestic Coal Ranking

Indonesia's Bank Mandiri is the dirtiest bank relative to its Southeast Asian peers for funneling money to coal plants, and lacking coal exclusion policy. It is the highest domestic project financier of downstream coal, and second biggest coal plant financier among both Southeast Asian and international banks. The bank has yet to put in place any coal exclusion policy and finance phase out deadline. Instead, it stated that it will follow the government's phaseout plans. Indonesian president Prabowo Subianto announced a goal to end coal by 2040, but the bank is yet to translate this pronouncement into a policy. The same is true for other Indonesian banks in the list.

Vietcombank followed Bank Mandiri for its massive coal plant financing and lacking coal divestment policy. Singaporean banks Oversea-China Banking Corporation and DBS, as well as Malaysian banks CIMB and Malayan Banking are among the biggest domestic coal financiers in the region. This, despite having relatively fewer coal plants themselves, indicating massive support for neighboring countries' coal expansion instead.

Philippine banks Banco de Oro and Bank of the Philippine Islands have announced reducing and zeroing, respectively, their coal financing.

Table 3. Overall Scores of Domestic Coal Power Financiers

Rank	Parent Financial Institution	Financing Score	Coal Divestment Policy	Sustainability Policies	Overall Score
1	Bank Mandiri (ID)	4	0.25	0.333	3.913
2	Commercial Bank for Foreign Trade of Vietnam (Vietcombank) (VN)	3	0	0.333	2.980
3	Bank of Philippine Islands (PH)	3	2.25	0.667	2.555
4	DBS (SG)	3	3.125	1	2.378
5	Oversea-Chinese Banking Corporation (SG)	2	2.375	0.917	1.678
6	CIMB Group (MY)	2	3.625	0.917	1.528
7	Bank Negara Indonesia (ID)	1	0	0.333	0.993
8	Bank Rakyat Indonesia (ID)	1	0	0.333	0.993
9	BDO Unibank (PH)	1	0.75	0.333	0.948
10	Malayan Banking (MY)	1	1.5	0.917	0.892

Note: The highest score a bank can get for each criteria is 5 points. A higher financing score denotes higher financing for coal and gas. However, a higher score for divestment and sustainability policies mean better quality of policies by the bank. Higher policy scores do not completely offset the coal and gas financing of the bank, as substantiated with the latter being given a greater weight when computing the overall score. Hence, a higher overall score indicates poor sustainable performance by the bank.

DBS, CIMB, and Malayan Banking received relatively higher sustainability scores. DBS expects its clients, especially those in hard-to-abate sectors, to make clear and actionable net-zero targets, including short- and medium-term emission reduction targets. The bank, as well as CIMB and Malayan Banking, also set out their own net-zero pathways for the different sectors it caters to, such as power, and oil & gas, among others. Other banks included in this report, such as ING, RHB Banking, Oversea-Chinese Banking Corporation, Sumitomo Trust, and more, also developed their own pathways, generally starting with setting net-zero targets for high-emitting sectors such as steel, transportation, power, fossil fuels, or cement, among others.

DBS and Malayan Banking also set up their own transition finance framework, which is more focused on financing the shift of emitting sectors to low-carbon. However, their frameworks show that this transition finance allows the use of funds to retrofit coal plants into gas power plants, or to support other false solutions such as co-firing hydrogen/ammonia. Other banks that allow such activities under their transition finance are MUFJ, SMBC, and Bank Mandiri.

Both DBS and Malayan Banking, as well as Bank Mandiri, also support the managed phase out of coal under their transition finance frameworks.

2.5. Overall Domestic Gas Ranking

Malaysia's Malayan Banking is also among the dirtiest banks for its massive support to gas plant expansion in the region. It is the highest domestic project financier of fossil gas in the region, and also, overall, the second biggest gas plant financier in Southeast Asia. The bank has not put any gas exclusion policy in place and even includes midstream and downstream gas as eligible activities for its transition finance.

Out of the 10 banks in this list, only Kasikornbank has some kind of gas exclusion policy, restricting financing for new plants that do not use "low-carbon technology." Government Savings Bank, meanwhile, announced a fossil fuel phase out by 2050.

Table 4. Overall Scores of Domestic Gas Power Financiers

Rank	Parent Financial Institution	Financing Score	Gas Divestment Policy	Sustainability Policies	Overall Score
1	Malayan Banking (MY)	3	0	0.917	2.945
2	CIMB Group (MY)	3	0	0.917	2.945
3	Bangkok Bank (TH)	2	0	0.5	1.980
4	Siam Commercial Bank (TH)	2	0	0.917	1.963
5	Kasikornbank (TH)	2	0.5	0.917	1.903
6	Bank of Ayudhya (TH)	2	0	0.583	1.977
7	RHB Banking (MY)	2	0	0.917	1.963
8	DBS (SG)	2	0	1	1.960
9	Government Savings Bank (TH)	2	0.25	0.667	1.943
10	TMBThanachart Bank (TH)	1	0	0.5	0.990

Note: The highest score a bank can get for each criteria is 5 points. A higher financing score denotes higher financing for coal and gas. However, a higher score for divestment and sustainability policies mean better quality of policies by the bank. Higher policy scores do not completely offset the coal and gas financing of the bank, as substantiated with the latter being given a greater weight when computing the overall score. Hence, a higher overall score indicates poor sustainable performance by the bank.

3. WHAT MUST BE DONE TO MOVE THE NEEDLE AWAY FROM FOSSIL FUELS?

Despite some policy backpedalling by banks in the US, an increasing number of financial institutions on the other side of the globe are integrating climate actions in their policies and operations. But analysis shows that loopholes remain, especially for coal financing, allowing continued financing for the dirty industry. Banks are also facilitating the expansion of another fossil fuel, fossil gas, touting it as a "cleaner" alternative to coal despite the methane leaks throughout its supply chain and end-use.

Delaying climate action will only lead to higher costs, given the damage caused by climate change and increasing investment requirements to mitigate further damage.83 It does not help that fossil-based power plants could be stranded as countries shift to renewable energy. This will ultimately affect economies, with impacts rippling to financial systems.

Banks, to which borrowers are beholden, can influence fossil fuel-related clients to decarbonize and shift to sustainable, renewable energy by implementing policies that effectively limit financing to dirty industries and firms that refuse to make the transition. To improve their scores in this Scorecard, assessed banks need to tighten their divestment policies–ensuring no financing goes to new and existing coal plants, and restricting financing for clients that continue developing or adding new coal capacity. Banks also need to respond to the science that gas is not a more sustainable alternative to coal, and hence limit financial support to such projects.

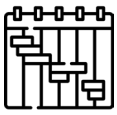
83 Piero Cipollone, "Europe's Tragedy of the Horizon: The Green Transition and the Role of the ECB," European Central Bank, May 26, 2024, https://www.ecb.europa.eu/press/key/date/2024/html/ecb.sp240526~ef011def12.en.html.

In parallel with narrowing the space for fossil fuels, banks should also increase support for renewable energy. Notably, out of the 35 banks in this report, only ING announced specific targets for renewable energy, while others committed to increasing sustainability financing in general (which should be noted could also include fossil gas and other false solutions).

Public and development banks, together with export credit agencies, should use their endowments to reduce the risks of renewable energy to signal private investments to the country rather than funneling more support for fossil fuels and technologies using false solutions.

3.1. Our recommendations to financial institutions

All financial institutions should:



Set and disclose a timeline and measurable targets (including short-, medium-, and long-term targets) in phasing out all fossil fuel exposure, and pursue early retirement of existing coal and fossil gas power projects on a 1.5°C-aligned timeline.

Financial institutions committing to no longer fund or support coal and fossil gas projects should ensure that they do not finance these projects through loopholes in their own policies, such as through underwriting or selling securities intended for coal or fossil gas projects and related facilities, and for general corporate purposes of coal or fossil gas developers. Similarly, these financial institutions should ensure that the same policy is cascaded and applied by their subsidiaries.

Banks that have or will engage in coal retirement mechanisms should adopt the Ten Guiding Principles for Financing Coal Retirement Mechanisms to ensure that renewables are priorities, false carbon-based solutions and retrofitting delays are avoided, concessional financing is provided especially for distributed, small-scale, and community renewable energy systems, and local communities and stakeholders are protected from the impacts of early coal retirement.

All financial institutions should prohibit financing for coal and new oil and gas fields and all companies listed in the Global Coal Exit List and Global Oil & Gas Exit List.

As for new fossil gas power plant projects and expansion projects, all financial institutions should set stringent restrictions and environmental and social safeguards on funding and investments if these projects are determined to be a necessary and economically viable bridge for a country's transition in a timeline aligned with the 1.5°C goal.

A distinction should be made regarding the roles of Southeast Asian domestic banks, multilateral and regional development banks, Global North banks, and other international financial institutions, in adopting a Paris-aligned policy, considering common but differentiated responsibilities and respective capabilities.

Southeast Asian domestic banks should align financial flows to rapid and just transition pathways that are in accordance with their country's fair share in the 1.5°C Paris goal. There should be a clear policy on the reduction of fossil fuel exposure and providing loans and underwriting services.

Global North financial institutions and multilateral and regional development banks should lead the adoption of the most ambitious Paris-aligned energy policies and strategies to finance the necessary energy transformation in SEA, starting with scaling up public finance, mainly debt-free, for renewable energy projects, especially transformative and democratic decentralized energy systems that will not reproduce the harms of a fossil-fueled energy system, and ensure a just and fair energy transition.

Global North financial institutions, which have historically pushed the region to coal dependency and now continuously promote the expansion of another fossil fuel in the form of gas and other false solutions like ammonia co-firing and carbon capture that prolong the lifespan of the fossil fuel industry, should likewise immediately divest from fossil fuel developers and financiers in SEA. These institutions should rechannel financing and investments to support Southeast Asian countries' climate action and pay for climate adaptation, the loss and damage caused by the impacts of climate disaster, and for a just transition away from fossil fuels to renewable energy and climate-resilient societies.

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