

Measuring Bank-Intermediated Climate Finance Evidence from Thailand

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Thailand has activated climate finance in the banking system, but cannot yet measure it.

Definitions vary and stock–flow distinctions blur across banks — an accountability gap between disclosed progress and national transition needs.



48 reports

11 Thai commercial banks, five reporting years (2020–2024)

An analytical schema that facilitates a systematic reading of climate finance in Thai banking.



THB 300+ bn

disclosed outstanding climate finance by 2024

The first structured aggregation of disclosed climate finance volumes.



580 bn vs 3.8 tn

pledged by 2030 vs financing needs, 2025–2030 (World Bank)

Implied trajectory benchmarked against financing needs to determine adequacy.

MOTIVATION

- No official database of sustainable bank lending exists in Thailand — Definitions vary across banks; stock measures (outstanding) are frequently conflated with flow measures (new financing).
- Climate finance expands narratively, yet its system-level adequacy remains difficult to evaluate.

Research questions

1. What is the state of climate finance in Thai banking?
2. How do banks frame their approach to climate finance?
3. How can the climate finance system be strengthened?

DATA & METHOD

AI-assisted

- 48 sustainability reports, 11 Thai commercial banks, 2020–2024.
- A synthesis-style reading, analogous to UNFCCC progress assessments:
 - Layer 1** (descriptive): Extraction of targets, timelines, and volumes.
 - Layer 2** (interpretive): Narrative tone, external commitments, and internal consistency.

FINDINGS: FIVE STYLISED FACTS

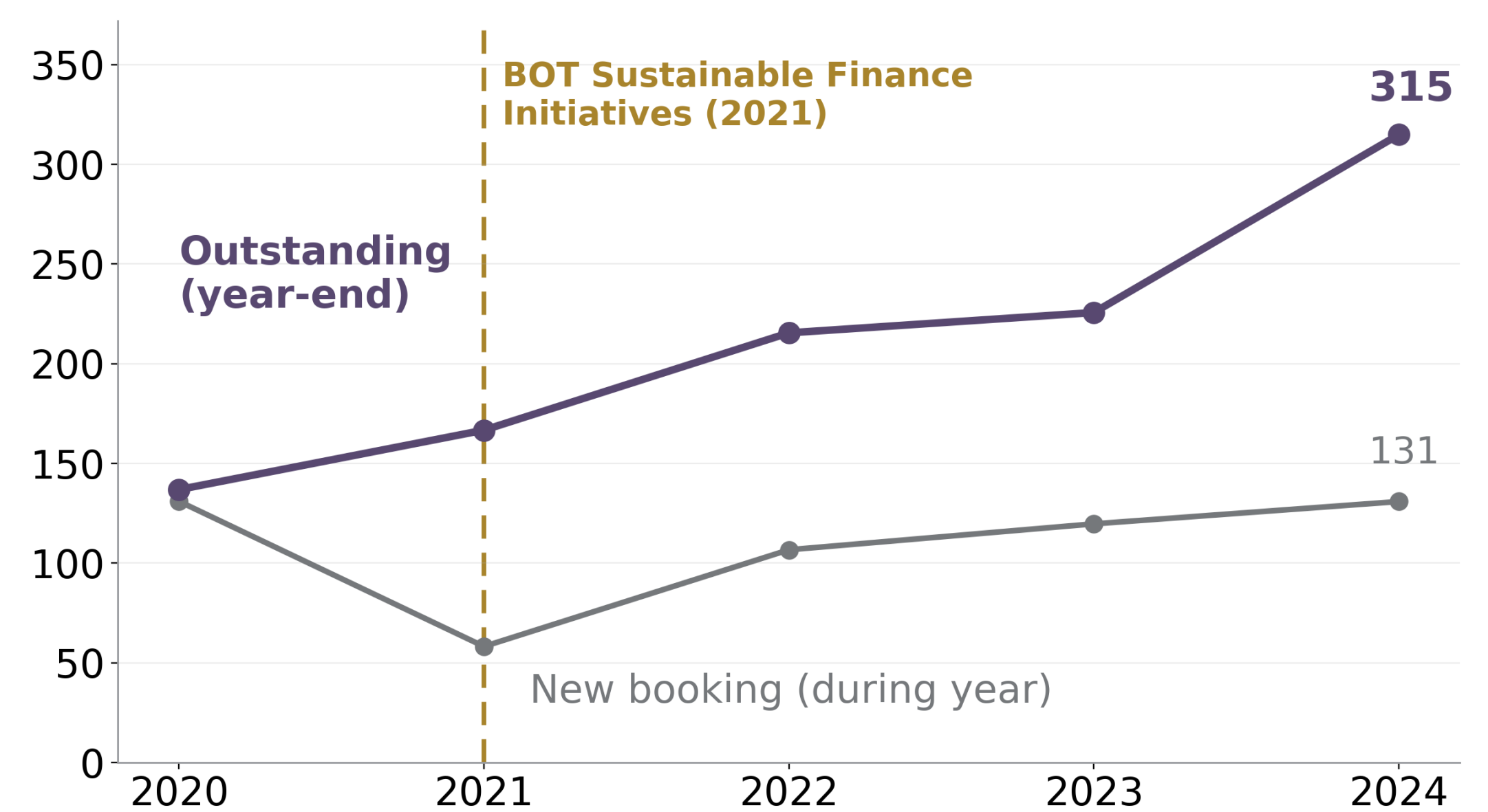
- 01 Climate finance expands rapidly** [Exhibit 1] consistent with Thailand’s Sustainable Finance Initiatives (2021).
- 02 Large banks lead** but smaller institutions are scaling within a few years of first movers.
- 03 Net-zero banking is recent** where explicit targets appear only from 2022, despite varying depth.
- 04 Taxonomy operationalisation is not yet the norm** — 5 of 11 banks.
- 05 Data architecture is highly fragmented** [Exhibit 2] with stock, flow, and cumulative measures conflated across banks.

DIRECTIONAL & SYNTHESIS ASSESSMENT

- **Climate finance has gained meaningful traction:**
 - Narrative commitments accompanied by measurable elements such as sustainable finance targets & financed emissions disclosure.
 - Strategic framing broadly similar across institutions, a likely consequence of peer benchmarking.
 - When interpreting the two layers in combination, bank-intermediated climate finance found to be expanding and increasingly institutionalised.
- **The committed capital remains modest** [Exhibit 3] compared with the country’s estimated financing needs.

EXHIBIT 1

Disclosed volumes show a marked upward shift after 2021 (THB bn)



Source: Bank sustainability reports (2020–2024); author’s calculations.

EXHIBIT 2

Sustainable finance disclosure conflates stock, flow, and scope

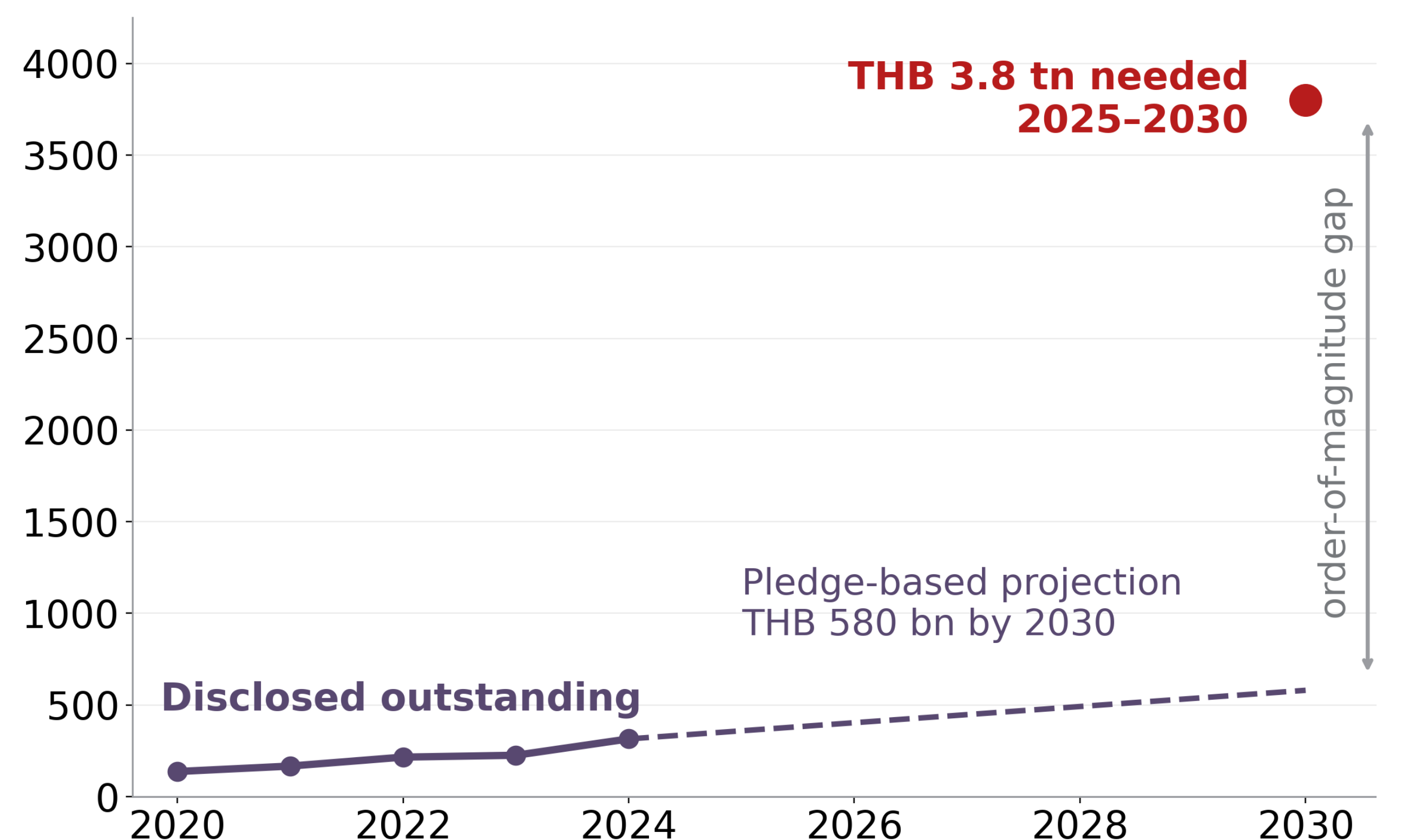
		Outstanding Balance (Unit: million baht)	
Category ¹		31 Dec 2021 (Baseline Year)	31 Dec 2024
	Underwriting: Green Bond ²	7,450	21,391
	Underwriting: Green Bond (Self-Issuance) ²	–	14,236
	Green Loan	1,000	4,492
	Loan to Renewable Energy Business	9,210	11,566
	Other Loans	–	365
TOTAL (Environment)		17,660	52,050

¹ Internal classification ² Includes issuances where the bank acts as arranger/underwriter

Source: Adapted from Bank of Ayudhya’s Sustainability Report 2024.

EXHIBIT 3

Pledges fall an order of magnitude short of needs (THB bn)



Source: Disclosed multi-year pledges, author’s calculations; needs from World Bank (2025).

The next phase is not greater ambition, but greater coherence.
A standardised disclosure framework — with definitions aligned to the Thailand Taxonomy —
 is a necessary foundation for mobilising climate finance at scale.

Keywords: Climate finance · Banking sector · Sustainability disclosure · Emerging markets · Thailand · JEL: G21, G28, Q54, Q56 · Views expressed are those of the author and do not necessarily represent those of KKPFG or its management.