

## **THE BANKING SYSTEM OF EMERGING ECONOMIES IN ASIA AGAINST THE BACKGROUND OF COVID-19. CASE STUDY – THE ASEAN AREA**

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### **Abstract**

The importance of the banking system for the economy has been intensely debated in specialized works and numerous studies and articles highlight the connection between banks and economic development. The article analyzes the banking system in Asian emergent economies, particularly in the ASEAN area, in the context of the coronavirus pandemic and it highlights the importance of financial and banking institutions in implementing the initial batch of measures authorities have enforced in order to limit the impact of COVID-19 on the economies in the region.

The financial-banking system in the ASEAN area was quick in reacting to the pandemic and it showed flexibility and adaptability to the new economic context. Banks in that region are the main source of funding for the economy; in addition, they are open to new technologies and cooperation with fintechs, so that the new context, where consumer behavior is changing as a result of lockdowns and medical restrictions, favors digitalization, and financial institutions are accelerating their strategies for digital transformation.

The evolution of the economy depends on the evolution of the medical crisis, but the manner the pandemic will evolve is uncertain. The sole certainty is if the manner banks are currently reacting to the crisis will determine the manner they will rebuild themselves for the future.

**Keywords:** banking system, emerging economies, ASEAN banking system, digital banking, economic development

**JEL codes:** E02, F63, G21, G23, F34

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