

ABSTRACT

In this study, we use a sample of 451 Asian public banking companies that have been listed on each country's stock exchange as many as 23 countries for the period 2017 to 2022. Then, in this study we use panel data and the data used are bank-specific data and macroeconomic data, bank-specific micro data obtained from the Thomson Reuters database, while the level of corruption is obtained from the Corruption Perception Index (CPI) data obtained from Transparency International.

We found evidence that ESG has a significant positive effect on Potential Risk. It can be concluded that ESG can increase the occurrence of banking risks. Furthermore, we found that the level of corruption has a significant positive effect on Potential Risk, meaning that a high level of corruption will increase the occurrence of banking risks.

Keywords: *ESG, Corruption, Banking Risk*