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## Fitch Revises Outlook on Asia Sermkij to Negative; Affirms at 'A(tha)'

Fitch Ratings - Bangkok - 12 Nov 2025: Fitch Ratings (Thailand) has revised the Outlook on Asia Sermkij Leasing Public Company Limited's (ASK) National Long-Term Rating to Negative from Stable and affirmed the rating at 'A(tha)'. The National Short-Term Rating has been affirmed at 'F1+(tha)'.

The Outlook revision follows the revision of the Outlook on the Long-Term Issuer Default Rating (IDR) of ASK's Taiwan-based ultimate parent, Chailease Holding Company Limited (BBB-/Negative). Chailease's Long-Term IDR serves as ASK's anchor rating.

### Key Rating Drivers

**Ratings Driven by Shareholder Support:** ASK's ratings are driven by Fitch's expectation of extraordinary support from Chailease, in the event of stress. The national ratings also reflect ASK's support-driven credit profile relative to other entities within Fitch's Thai national rating universe.

**Parent's Reduced Support Capacity:** We revised the Outlook on Chailease's Long-Term IDR due to its weakened financial performance and sustained asset-quality pressures at the group level, leading to downside risks for ASK's support-driven rating. Chailease's capacity to support ASK is reflected in the parent's Long-Term IDR, which reflects its standalone profile and well-established non-bank finance franchise in Taiwan.

That said, we believe any support would be manageable for the parent to provide as ASK comprised less than 10% of the group's consolidated assets at end-June 2025. For details on Chailease's key rating drivers and rating sensitivities, see "[Fitch Revises Outlook on Chailease Group to Negative; Affirms Ratings](#)", published 12 November 2025.

**Strategically Important Subsidiary:** We view ASK's role as integral to Chailease's strategic focus of expansion in emerging markets. ASK anchors the group's Thailand footprint with an established truck hire-purchase business, and its business reflects product development synergies with the parent that broaden ASK's offerings and improve efficiency and diversification. It is the group's largest subsidiary in southeast Asia, accounting for more than half of the group's operations in the region.

**Strong Parental Control and Integration:** Chailease increased its stake in ASK to 57.9% from 50.4% in 2024 via a capital injection and exerts significant control through board representation. Group oversight of ASK's strategy and risk management reinforces governance and execution discipline. ASK also benefits from shared systems and common operational processes with the group. We expect these linkages to remain durable in the medium term, supporting stability and coordination.

**Ordinary Support for Funding:** ASK benefits from steady access to Thai capital markets and bank credit facilities, reinforced by its position in the Chailease group. Ongoing ordinary support via shareholder loans provides an additional liquidity buffer. We believe the company's funding flexibility remains sound and should continue to underpin through-the-cycle liquidity needs.

**Asset-Quality Pressures Persist:** ASK's impaired loans ratio rose to 7.8% in 1H25 (2024: 7.0%, 2023: 4.8%) due to uneven domestic truck demand and a weak economic recovery, resulting in an increase in gross non-performing loans. The ratio was also affected by a loan contraction of 13% between 2023 and 1H25. Remedial actions by ASK, with support from Chailease, to tighten risk controls and underwriting should ease asset-quality pressure, but strains are likely to persist in the near term as we expect loan growth to remain low.

**Modest Profitability Recovery:** ASK's pre-tax income to average assets rose to 1.0% at end-June 2025 (2024: 0.5%) but remained below the 2021-2024 average of 2.1%. Relatively high credit costs continue to constrain performance. We expect operating conditions to stay challenging, but tighter underwriting and stabilising used-truck prices should provide some support to earnings.

## RATING SENSITIVITIES

### Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

ASK's ratings are linked to Chailease's ability and propensity to provide support, while taking into account relativities within the Thai national ratings universe.

A downgrade in Chailease's Long-Term IDR would reflect a reduced ability to support, and could lead to a downgrade of ASK's National Long-Term Rating.

Any weakening in Chailease's propensity to support ASK may also lead to negative action on ASK's National Long-Term Rating. This could be indicated by a weakened strategic alignment, a plan to reduce ownership in ASK to below 50%, and declining management control and integration. However, we do not expect these changes in the near to medium term.

ASK's National Short-Term Rating could be downgraded if its National Long-Term Rating were to fall to 'A-(tha)' or below.

### Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

An improvement in Chailease's credit profile could lead to a positive re-assessment of ASK's support-driven profile relative to Thai national rating peers.

We may also take positive rating action if ASK's importance within Chailease rises significantly. This may arise from an increase in Chailease's shareholding combined with greater reputational linkages, or from a sustained increase in ASK's profit and asset contribution to over 20% that further strengthens its role in the group.

There is no upside to the National Short-Term Rating, which is at the top end of the scale.

## **DEBT AND OTHER INSTRUMENT RATINGS: KEY RATING DRIVERS**

ASK's senior unsecured notes are rated at 'A(th)', the same level as its National Long-Term Rating, as the instruments represent its unsecured and unsubordinated obligations and rank equally with other similar obligations.

## **DEBT AND OTHER INSTRUMENT RATINGS: RATING SENSITIVITIES**

ASK's senior unsecured debt rating would move in tandem with its National Long-Term Rating.

## **REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING**

The principal sources of information used in the analysis are described in the Applicable Criteria.

## **Public Ratings with Credit Linkage to other ratings**

ASK's National Ratings are linked to Chailease's credit profile, as denoted by the shareholder's Long-Term IDR.

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**Rating Actions**

ENTITY/DEBT	RATING		RECOVERY	PRIOR
Asia Sermkij Leasing Public Company Limited	Natl LT	A(th)	Affirmed	A(th)
	Natl ST	F1+(th)	Affirmed	F1+(th)
• senior unsecured	Natl LT	A(th)	Affirmed	A(th)

**RATINGS KEY OUTLOOK WATCH**

<b>POSITIVE</b>		
<b>NEGATIVE</b>		
<b>EVOLVING</b>		
<b>STABLE</b>		

**Applicable Criteria**

[National Scale Rating Criteria \(pub.22 Dec 2020\)](#)

[Non-Bank Financial Institutions Rating Criteria \(pub.31 Jan 2025\) \(including rating assumption sensitivity\)](#)

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