

# ASIA SERMKIJ LEASING

## THAILAND / FINANCE & SECURITIES

# ASK TB

# REDUCE

UNCHANGED

TARGET PRICE	THB5.90
CLOSE	THB7.05
UP/DOWNSIDE	-16.3%
PRIOR TP	THB5.60
CHANGE IN TP	+5.4%
TP vs CONSENSUS	-12.4%

## Recovery faces stiff headwinds

- Neutral view from the analyst meeting. Signs of improvements in credit cost at the expense of negative loan growth.
- We expect continued y-y recovery through 1H25, after which tariff headwinds could begin to weigh on performance.
- Maintain REDUCE with a new 2025 TP of THB5.90

### 1Q25 profit surged from lower-than-expected credit cost

ASK reported a 1Q25 net profit of THB146m, a substantial recovery from a low base of 767% q-q, but was still down 16% y-y. Lower ECL expenses from a lower-than-expected credit cost drove the recovery in q-q net profit. Meanwhile, y-y net profit was down largely due to weaker revenue, driven by negative loan growth experienced throughout 2024.

### Neutral tone from analyst meeting

We have a neutral view of ASK's analyst meeting. Despite good signs of improvements in credit cost, loans continued to contract from stringent loan criteria and a poor economic outlook. At the same time, management saw continued support in used truck prices from less supply in the market, while also setting an optimistic goal for gross NPL at cTHB4.0b (vs our forecast of THB5.2b) by the end of 2025.

### Raise our 2025-27 forecast

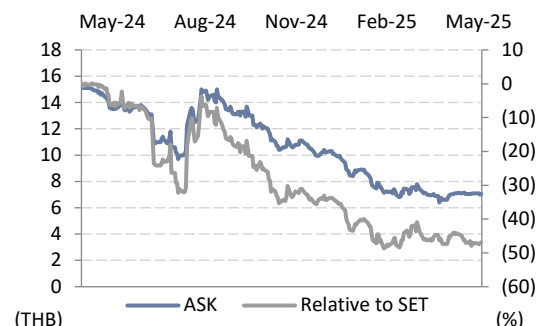
We raised our 2025E and 2026E net profit by 94% (from a low base) and 14%, respectively. Our upward revision for 2025 is primarily driven by the lower credit cost plus losses from NPA sale of 3.40% vs previously of 4.00%, reflecting easing trade tensions following a 90-day tariff pause. However, we cut our 2025 loan growth projection to -14.0% from -5.0% to account for an uncertain outlook and the effects of Thailand's economic slowdown.

### Maintain REDUCE rating with a new TP of THB5.90

Despite earning revisions, we remained cautious on ASK's outlook for the rest of the year. The net profit recovery in 1Q25 was largely driven by the significant decline in credit cost plus losses from NPA sale rather than improvements in top-line performance, posing some reversal risk amid ongoing tariff headwinds on Thailand's economic growth. That said, the 90-day tariff pause to allow trade negotiations has slightly improved our short-term view on ASK. We believe the q-q recovery in net profit could extend up to 1H25. Afterward, the outcome of Thai-US bilateral negotiations would become a key risk to monitor. For now, we reaffirm our REDUCE rating on ASK with a new TP of THB5.90, referencing a P/BV ratio of 0.35x (LT ROE 5.0% and COE 12.73%).

### KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Operating profit	418	445	506	677
Net profit	332	355	403	539
EPS (THB)	0.63	0.58	0.57	0.77
vs Consensus (%)	-	40.4	(20.1)	(18.1)
Recurring net profit	332	355	403	539
Core EPS (THB)	0.63	0.58	0.57	0.77
Chg. In EPS est. (%)	-	92.0	14.4	(0.5)
EPS growth (%)	(72.8)	(8.3)	(0.7)	33.9
Core P/E (x)	11.3	12.3	12.4	9.3
Dividend yield (%)	4.5	4.1	4.0	5.4
Price/book (x)	0.4	0.4	0.4	0.4
ROE (%)	3.2	3.2	3.4	4.5
ROA (%)	0.4	0.5	0.6	0.8



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	4.4	(7.2)	(53.3)
Relative to country (%)	(0.5)	(1.3)	(46.2)
Mkt cap (USD m)	112		
3m avg. daily turnover (USD m)	0.2		
Free float (%)	40		
Major shareholder	Chailease Holding Co Ltd (48%)		
12m high/low (THB)	15.50/6.35		
Issued shares (m)	528		

Sources: Bloomberg consensus; FSSIA estimates



**Nathapol Pongsukcharoenkul**

Fundamental Investment Analyst on Securities; License no. 049193  
nathapol.p@fssia.com, +66 2646 9974

**Peemapon Nunthakunatip**

Research Assistant

## Investment thesis

The 90-day grace period on reciprocal tariffs would benefit ASK in the short run from better logistics demand, driven by front-loading of exports. We believe this would allow for an extended recovery up to 1H25. While we expect better cost control from ASK via lower ECLs and interest expenses, revenue would remain under pressure from the need to tighten loan criteria on the back of future uncertainties.

Meanwhile, ASK's plan to retire its 1H25 debentures could continue to help reduce interest expenses for 2025. Also, a policy interest rate cut should further ease financial pressure.

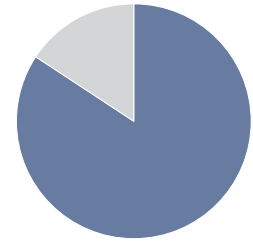
## Company profile

ASK mainly offers hire purchase loans, targeting new and used trucks, financial leasing, and services related to its core businesses.

[www.ask.co.th](http://www.ask.co.th)

## Principal activities (revenue, 2024)

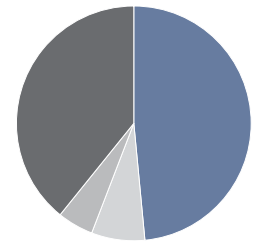
- Net interest income - 84.3 %
- Non-interest income - 15.7 %



Source: Asia Sermkij Leasing

## Major shareholders

- Chailease Holding Co Ltd - 48.5 %
- Bangkok Bank PCL - 7.4 %
- BBL Asset Management Co Ltd - 5.0 %
- Others - 39.2 %



Source: Asia Sermkij Leasing

## Catalysts

1. Better-than-expected loan disbursement and loan portfolio growth.
2. Better-than-expected improvement in credit cost and asset quality.
3. Lower-than-expected cost of funds.

## Risks to our call

Upside risks include 1) a better-than-expected macroeconomic improvement, 2) a policy rate downtrend that could reduce the cost of funds and enhance interest spreads, and 3) a faster-than-expected decline in ECL expenses.

## Event calendar

Date	Event
August 2025	2Q25 results announcement

## Key assumptions

	2025E (THB m)	2026E (THB m)	2027E (THB m)
Net profit	355	403	539
Growth (y-y%)	6.96%	13.49%	33.87%
Loan receivables	59,073	60,255	63,280
Growth (y-y%)	-14.17%	2.00%	5.02%
Cost-to-income (%)	31.66%	30.24%	30.22%
Credit cost (%)	3.40%	3.36%	3.13%
Cost of funds (%)	3.32%	3.39%	3.44%

Source: FSSIA estimates

## Earnings sensitivity

		----- 2025E -----		
Loan growth (%)	±1ppt	-15.17%	-14.17%	-13.17%
% change in net profit		(2.0)	-	2.0
Cost-to-income	±10bp	31.56%	31.66%	31.76%
% change in net profit		0.8	-	(0.8)
Total credit cost	±10bp	330	340	350
% change in net profit		14.3	-	(14.3)
Cost of funds	±10bp	322	332	342
% change in net profit		12.1	-	(12.1)

Source: FSSIA estimates

## Recovery faces stiff headwinds

### 1Q25 profit surged from lower-than-expected credit cost

ASK reported a 1Q25 net profit of THB146m, a significant recovery from a low base of 767% q-q, but was still down 16% y-y.

In detail, the q-q net profit recovery was primarily supported by a broad reduction in expenses. However, the main contributor to the improved performance was significantly lower ECL expenses (-34% q-q, -26% y-y), which resulted in a considerable drop in credit cost to 2.43% from 3.52% in 4Q24. Nevertheless, the net profit was still down 16% y-y, largely due to weaker top-line performance, driven by negative loan growth experienced throughout 2024.

#### Highlights

- **(-) Loan growth:** In 1Q25, loans continued to contract by 3.8% q-q and 12.7% y-y, driven by more stringent loan approval criteria amid heightened uncertainties surrounding Thailand's GDP outlook and the effect of the reciprocal tariff policy. In turn, net interest income declined for the fifth consecutive quarter, falling to THB769 m (-7.4% q-q, -16.7% y-y).
- **(-) Net interest margin (NIM):** NIM also declined to 4.56% from 4.71% (-0.15ppt q-q and -0.33ppt y-y) on the back of lower yield on receivables, despite a q-q decline in cost of funds.
- **(+) Cost of funds:** Cost-of-funds came in lower on a q-q basis at 3.52%, down 0.14ppt q-q but still up 0.09ppt y-y, from debt retiring efforts and a policy rate cut, we believe.
- **(+) Credit cost:** Credit cost plus losses from NPA sales declined significantly to 2.48% (-1.13ppt q-q, -0.45ppt y-y), reflecting a stronger debt servicing ability among customers and a substantial recovery of used truck prices in 1Q25. We believe this is largely supported by a front-loaded surge in 2025's export demand ahead of the reciprocal tariff policy announcement in early April.
- **(+) Asset quality:** Gross NPLs were THB4,771m, flat q-q but still up 21.8% y-y. NPL formation stood at 104bp, much lower than previous quarters. Despite the flat gross NPLs, the NPL ratio increased to 7.21% (+0.24ppt q-q, +0.24ppt y-y). However, we believe this increase was primarily due to the contraction in the loan portfolio, which magnified the ratio even without a rise in gross NPLs.

## Exhibit 1: ASK – 1Q25 results summary

	1Q24	2Q24	3Q24	4Q24	1Q25	Change		% of	2025E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	2025E	(THB m)	(y-y %)
Interest income	1,474	1,464	1,424	1,385	1,279	(8)	(13)	25	5,091	(11)
Interest expense	(552)	(558)	(549)	(555)	(510)	(8)	(8)	28	(1,825)	(18)
<b>Net interest income</b>	<b>923</b>	<b>906</b>	<b>875</b>	<b>830</b>	<b>769</b>	<b>(7)</b>	<b>(17)</b>	<b>24</b>	<b>3,265</b>	<b>(8)</b>
Non-interest income	189	171	152	149	145	(3)	(23)	25	571	(14)
Operating income	1,112	1,077	1,027	980	914	(7)	(18)	24	3,836	(9)
Operating expenses	(340)	(313)	(301)	(332)	(323)	(3)	(5)	27	(1,214)	(6)
<b>PPOP</b>	<b>772</b>	<b>764</b>	<b>726</b>	<b>647</b>	<b>592</b>	<b>(9)</b>	<b>(23)</b>	<b>23</b>	<b>2,622</b>	<b>(10)</b>
Expected credit loss	(554)	(667)	(649)	(621)	(410)	(34)	(26)	19	(2,176)	(13)
Income tax	(44)	(15)	(18)	(10)	(36)	272	(17)	40	(91)	5
<b>Net profit</b>	<b>174</b>	<b>82</b>	<b>59</b>	<b>17</b>	<b>146</b>	<b>767</b>	<b>(16)</b>	<b>41</b>	<b>355</b>	<b>7</b>
EPS (THB)	0.33	0.16	0.11	0.03	0.28	767	(16)	48	0.58	(8)
<b>Key balance sheet items</b>										
Gross loans	75,811	74,614	72,338	68,823	66,206	(3.8)	(12.7)		59,073	(14.17)
Interest bearing debt	64,973	64,695	62,188	60,254	57,060	(0.1)	(12.2)		50,869	(15.58)
Gross NPLs	3,918	4,549	4,725	4,797	4,771	(0.0)	21.8		5,227	8.97
<b>Leverage ratio</b>	<b>(x)</b>	<b>(x)</b>	<b>(x)</b>	<b>(x)</b>	<b>(x)</b>	<b>(ppt, q-q)</b>	<b>(ppt, y-y)</b>		<b>(x)</b>	<b>(ppt, y-y)</b>
D/E	6.8	7.0	6.7	6.4	6.1	(0.31)	(0.69)		4.3	(1.51)
<b>Asset quality ratios</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt, q-q)</b>	<b>(ppt, y-y)</b>		<b>(%)</b>	<b>(ppt, y-y)</b>
NPL ratio	5.17%	6.10%	6.53%	6.97%	7.21%	0.24	0.24		8.8%	1.88
Coverage ratio	60.7%	56.8%	56.4%	56.3%	57.6%	1.28	(3.14)		56.5%	0.17
Credit cost	2.93%	3.55%	3.53%	3.52%	2.43%	(1.09)	(0.51)		3.4%	(0.05)
<b>Profitability ratios</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt, q-q)</b>	<b>(ppt, y-y)</b>		<b>(%)</b>	<b>(ppt, y-y)</b>
Yield on receivables	7.80%	7.78%	7.75%	7.85%	7.57%	(0.28)	(0.23)		7.95%	(0.02)
Cost of funds	3.43%	3.46%	3.48%	3.65%	3.52%	(0.14)	0.09		3.32%	(0.25)
Loan yield spreads	4.37%	4.32%	4.26%	4.19%	4.05%	(0.14)	(0.32)		4.63%	0.23
Net interest margins (NIM)	4.89%	4.82%	4.76%	4.71%	4.56%	(0.15)	(0.33)		5.11%	0.20
Cost-to-income ratio	30.55%	29.08%	29.33%	33.92%	35.29%	1.37	4.74		31.66%	1.00

Sources: ASK; FSSIA estimates

## Neutral tone from analyst meeting

We have a neutral view of ASK's 1Q25 analyst meeting on May 16.

During the meeting, key attention centered around 1) credit cost plus losses from NPA sale and used truck price outlook, 2) loan growth outlook, and 3) asset quality and NPA amount.

## Highlights

- Management stated that the substantial decline in credit cost plus losses from NPA sale was driven by lower delinquency across loan staging, supported by improved repayments and stronger cash collections. This was attributed to stricter loan approval criteria taking effect, alongside enhanced internal collection efforts. On a broader level, we believe this trend is further supported by front-loaded export activities following the reciprocal tariff announcement.
- As for used truck prices, management believes they will continue to see support from a decline in foreclosures across operators, which would help limit excess supply in the market, as well as a delay in the adoption of Euro 5 trucks, which would encourage demand for used trucks in the interim.
- Management expects the subdued loan growth seen in 1Q25 to persist through the year, with no strong rebound likely despite easing trade tensions and negotiations. Both ASK and its customers should remain cautious on big-ticket purchases like trucks amid ongoing economic and trade uncertainties until clearer growth trends emerge.
- Management also expressed confidence that ASK's asset quality would improve further based on the trends seen in 1Q25, leading to an optimistic gross NPL target of THB4b by the end of 2025 (vs our forecast of THB5.2b). However, they acknowledged some downside risk from recent developments in the tariff landscape.

## Raise our 2025-27 forecast

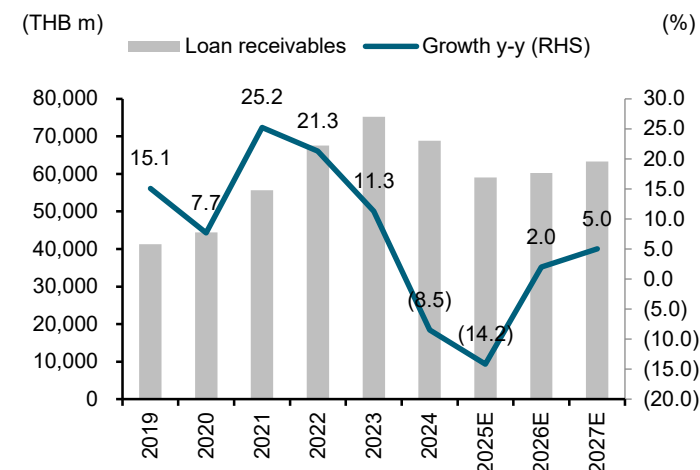
We raised our 2025E and 2026E net profit by 94% (from a low base) and 14%, respectively. We lowered our credit cost plus losses from the NPA sale forecast by 0.6ppt for 2025 and 0.2ppt in 2026, as we expect improved cash collections driven by stricter loan criteria and stronger collection efforts, supported by easing trade tensions. Meanwhile, we decreased our 2025 loan growth estimate by 8.5ppt since we expect ASK to remain cautious throughout the year in response to Thailand's uncertain economic outlook and the potential for further growth slowdown. Finally, given the interest rate direction, we trimmed our 2025-27E cost of funds by c0.1ppt.

### Exhibit 2: 2025-27 forecast revisions

	Actual	Current			Previous			Changes		
	2024	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)
Interest income	5,748	5,091	4,747	4,915	5,327	5,173	5,302	(4)	(8)	(7)
Interest expense	2,213	1,825	1,710	1,773	1,934	1,901	1,948	(6)	(10)	(9)
Non-interest income	660	571	565	600	636	618	633	(10)	(9)	(5)
Operating income	4,195	3,836	3,602	3,741	4,029	3,890	3,988	(5)	(7)	(6)
Operating expenses	1,286	1,214	1,089	1,130	1,188	1,153	1,182	2	(6)	(4)
PPOP	2,909	2,622	2,513	2,611	2,842	2,737	2,806	(8)	(8)	(7)
Expected credit loss	2,490	2,176	2,007	1,934	2,613	2,295	2,127	(17)	(13)	(9)
Net profit	332	355	403	539	183	352	541	94	14	(0)
Key ratio								(ppt)	(ppt)	(ppt)
NIM (%)	4.9	5.1	5.1	5.1	5.2	5.2	5.2	(0.1)	(0.1)	(0.1)
Cost to income (%)	30.7	31.7	30.2	30.2	29.5	29.6	29.6	2.2	0.6	0.6
Cost of funds (%)	3.6	3.3	3.4	3.4	3.4	3.5	3.6	(0.0)	(0.1)	(0.1)
ROE (%)	3.2	3.2	3.4	4.5	1.7	3.0	4.5	1.5	0.4	(0.0)
Credit cost (%)	3.46	3.40	3.36	3.13	4.02	3.53	3.11	(0.6)	(0.2)	0.0
Loan growth (%)	(8.6)	(14.2)	2.0	5.0	(5.6)	-	5.5	(8.5)	2.0	(0.4)
Net profit growth (%)	(72.8)	7.0	13.5	33.9	(44.4)	92.2	51.9	51	(79)	(18)

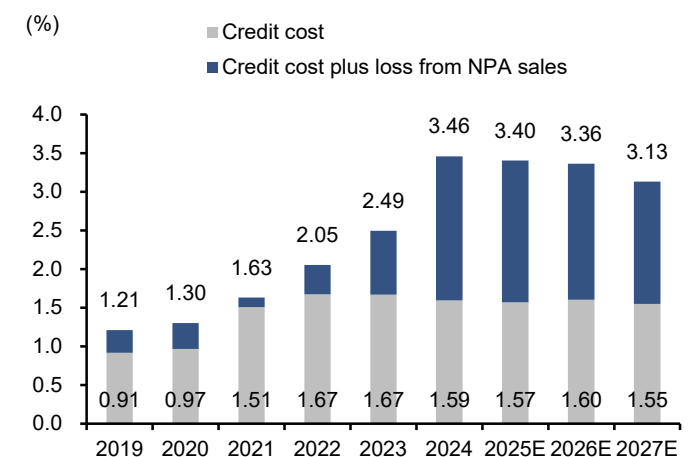
Sources: ASK; FSSIA estimates

### Exhibit 3: ASK – loan growth, 2025-27E



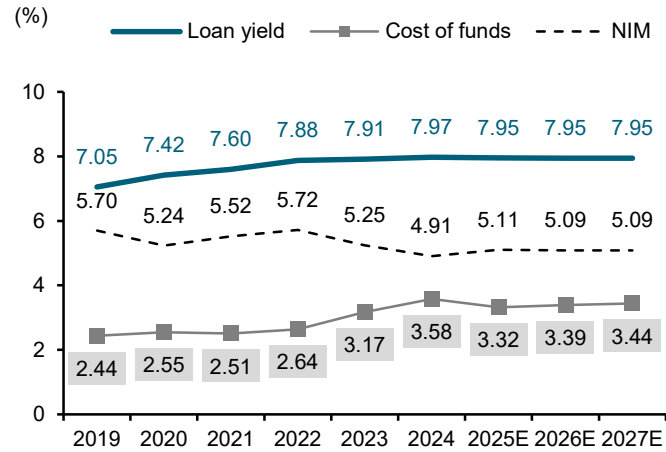
Sources: ASK; FSSIA estimates

### Exhibit 4: ASK – credit cost, 2025-27E



Sources: ASK; FSSIA estimates

Exhibit 5: Yield, cost of funds, and NIM, 2025-27E



Sources: ASK; FSSIA estimates

Maintain REDUCE rating with a new TP of THB5.90

Despite the better performance in 1Q25, we remain cautious about ASK’s outlook for the rest of the year. The net profit recovery was largely driven by a significant decline in credit cost plus losses from NPA sale rather than improvements in top-line performance, posing some reversal risk amid ongoing tariff headwinds on Thailand’s economic growth. That said, the 90-day tariff pause to allow trade negotiations has slightly improved our short-term view on ASK. We believe the q-q recovery in net profit could extend up to 1H25. Afterward, the outcome of Thai-US bilateral negotiations would become a key risk to monitor.

We revised our 2025-27 net profit projections to reflect easing trade tensions following the 90-day tariff pause, while also factoring in the impact of Thailand’s economic slowdown. Nonetheless, we reaffirm our REDUCE rating on ASK with a new TP of THB5.90, referencing a P/BV ratio of 0.35x (LT ROE 5.0% and COE 12.73%).

Exhibit 6: ASK – GGM 2025 TP

Target price calculation based on Gordon Growth Model (GGM)			
Sustainable ROE	5.00%	Cost of Equity (COE) calculation	
COE	12.73%	Risk Free Rate	3%
Sustainable Growth	0.80%	Market Risk Premium	7%
Derived P/BV	0.35	Equity Beta (x)	1.39
		COE	12.73%
2025E BVPS	16.72		
Target Price (THB)	5.90		

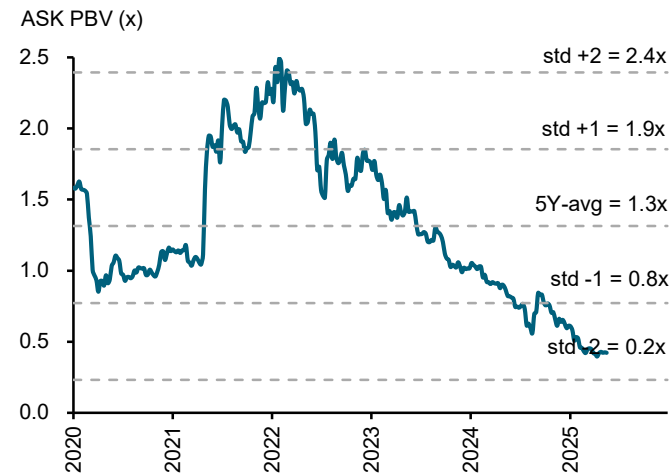
Sources: ASK; FSSIA estimates

Exhibit 7: ASK – Price target sensitivity

ROE	Growth rate assumption				
	0.60%	0.70%	0.80%	0.90%	1.00%
4.00%	4.69	4.59	4.49	4.39	4.28
4.50%	5.38	5.29	5.19	5.09	4.99
5.00%	6.07	5.98	5.90	5.80	5.71
5.50%	6.76	6.68	6.59	6.51	6.42
6.00%	7.45	7.37	7.29	7.21	7.13

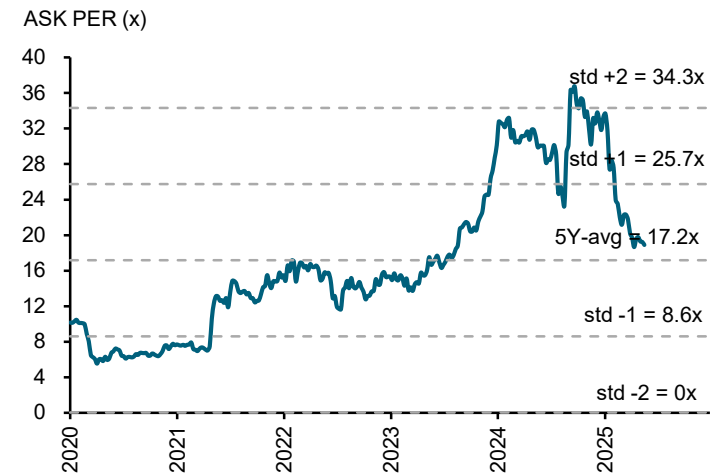
Sources: ASK; FSSIA estimates

Exhibit 8: ASK – one-year prospective P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 9: ASK – one-year prospective PER band



Sources: Bloomberg; FSSIA estimates

Exhibit 10: Peers financial comparison, as of 16 May 2025

Company name	BBG	Rec	Share	Target	Up	----- PE -----		----- PBV -----		----- ROE -----		--- Div yld ---	
	code		price	price	side	25E	26E	25E	26E	25E	26E	25E	26E
			(LCY)	(LCY)	(%)	(x)	(x)	(x)	(x)	(%)	(%)	(x)	(x)
Auto title													
Muangthai Capital	MTC TB	BUY	41.25	56.00	35.8	12.3	10.5	2.0	1.7	17.6	17.6	1.2	1.4
Srisawad Corp	SAWAD TB	HOLD	20.30	30.50	50.2	6.4	6.0	0.9	0.8	14.7	13.8	1.6	1.7
Ngern Tid Lor	TIDLOR TB	BUY	15.10	19.00	25.8	9.4	8.4	1.3	1.2	14.6	14.7	1.6	1.8
Saksiam Leasing	SAK TB	BUY	3.86	5.28	36.8	8.5	7.5	1.2	1.1	14.4	15.0	4.9	5.6
Unsecured finance													
AEON Thana Sinsap (Thailand)	AEONTS TB	HOLD	106.00	142.00	34.0	8.2	7.5	0.9	0.9	11.9	12.1	5.1	5.6
Krungthai Card	KTC TB	HOLD	40.50	43.00	6.2	14.0	12.3	2.4	2.1	17.9	18.3	3.2	3.7
Hire-purchase truck													
Asia Sermkij Leasing	ASK TB	REDUCE	7.05	5.90	(16.3)	23.5	14.1	0.4	0.4	3.2	3.4	2.1	3.5
Ratchthani Leasing	THANI TB	HOLD	1.60	1.78	11.3	9.0	8.4	0.7	0.7	8.0	8.3	6.1	6.6
AMCs													
Bangkok Commercial Asset Mgmt.	BAM TB	HOLD	6.15	9.00	46.3	12.4	10.9	0.4	0.4	3.6	4.1	6.5	7.3
JMT Network services	JMT TB	HOLD	10.80	17.00	57.4	7.8	7.1	0.6	0.5	7.4	7.8	7.7	8.5
Chayo Group	CHAYO TB	BUY	2.12	4.00	88.7	5.0	4.3	0.6	0.5	11.8	12.1	3.0	3.5
Average						10.6	8.8	1.0	0.9	11.4	11.5	3.9	4.5

Noted: The Chairman of The Board of Directors of Finansia Syrus Securities PCL is also AEONTS's Director.

Sources: Bloomberg; FSSIA estimates



## Financial Statements

### Asia Sermkij Leasing

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Interest Income	5,658	5,748	5,091	4,747	4,915
Interest expense	(1,910)	(2,213)	(1,825)	(1,710)	(1,773)
Net interest income	3,748	3,534	3,265	3,037	3,141
Net fees & commission	658	412	299	293	318
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	-	-	-	-	-
Other income	183	248	272	271	281
Non interest income	841	660	571	565	600
Total income	4,589	4,195	3,836	3,602	3,741
Staff costs	(908)	(993)	(906)	(823)	(855)
Other operating costs	(373)	(293)	(309)	(266)	(276)
Operating costs	(1,281)	(1,286)	(1,214)	(1,089)	(1,130)
Pre provision operating profit	3,308	2,909	2,622	2,513	2,611
Expected credit loss	(1,779)	(2,490)	(2,176)	(2,007)	(1,934)
Other provisions	-	-	-	-	-
Operating profit	1,529	418	445	506	677
Recurring non operating income	0	0	0	0	0
Associates	0	0	0	0	0
Goodwill amortization	-	-	-	-	-
Non recurring items	0	0	0	0	0
Profit before tax	1,529	418	445	506	677
Tax	(310)	(86)	(91)	(103)	(138)
Profit after tax	1,219	332	355	403	539
Non-controlling interest	-	-	-	-	-
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	1,219	332	355	403	539
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	1,219	332	355	403	539
<b>Per share (THB)</b>					
Recurring EPS *	2.31	0.63	0.58	0.57	0.77
Reported EPS	2.31	0.63	0.58	0.57	0.77
DPS	1.16	0.32	0.29	0.29	0.38
<b>Growth</b>					
Net interest income (%)	6.3	(5.7)	(7.6)	(7.0)	3.4
Non interest income (%)	10.5	(21.5)	(13.5)	(1.1)	6.2
Pre provision operating profit (%)	4.6	(12.1)	(9.9)	(4.2)	3.9
Operating profit (%)	(19.4)	(72.6)	6.5	13.5	33.9
Reported net profit (%)	(19.4)	(72.8)	7.0	13.5	33.8
Recurring EPS (%)	(19.4)	(72.8)	(8.3)	(0.7)	33.9
Reported EPS (%)	(19.4)	(72.8)	(8.3)	(0.7)	33.9
<b>Income Breakdown</b>					
Net interest income (%)	81.7	84.3	85.1	84.3	84.0
Net fees & commission (%)	14.3	9.8	7.8	8.1	8.5
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	-	-	-	-	-
Other income (%)	4.0	5.9	7.1	7.5	7.5
<b>Operating performance</b>					
Gross interest yield (%)	8.06	8.16	8.04	7.90	7.95
Cost of funds (%)	3.17	3.56	3.28	3.34	3.39
Net interest spread (%)	4.89	4.60	4.76	4.56	4.56
Net interest margin (%)	5.3	5.0	5.2	5.1	5.1
Cost/income(%)	27.9	30.7	31.7	30.2	30.2
Cost/assets(%)	1.7	1.7	1.8	1.7	1.7
Effective tax rate (%)	20.3	20.7	20.3	20.3	20.3
Dividend payout on recurring profit (%)	50.2	50.9	50.0	50.0	50.0
ROE (%)	11.7	3.2	3.2	3.4	4.5
ROE - COE (%)	(1.1)	(9.6)	(9.5)	(9.3)	(8.2)
ROA (%)	1.7	0.4	0.5	0.6	0.8
RORWA (%)	-	-	-	-	-

\* Pre-exceptional, pre-goodwill and fully diluted

Sources: Asia Sermkij Leasing; FSSIA estimates



## Financial Statements

### Asia Sermkij Leasing

Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Gross customer loans	75,257	68,823	59,073	60,255	63,280
Allowance for expected credit loss	(2,205)	(2,702)	(2,953)	(3,191)	(3,459)
interest in suspense	-	-	-	-	-
<b>Net customer loans</b>	<b>73,052</b>	<b>66,121</b>	<b>56,121</b>	<b>57,064</b>	<b>59,821</b>
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	-	-	-	-	-
Cash & equivalents	666	1,042	3,385	3,615	3,148
Other interesting assets	0	0	0	0	-
Tangible fixed assets	2,048	3,421	2,928	2,486	1,971
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	1,763	2,104	2,301	2,318	2,338
<b>Total assets</b>	<b>77,529</b>	<b>72,688</b>	<b>64,735</b>	<b>65,482</b>	<b>67,277</b>
Customer deposits	-	-	-	-	-
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	64,190	60,254	50,869	51,514	53,027
Non interest bearing liabilities	2,681	2,109	2,097	2,108	2,119
Hybrid Capital	-	-	-	-	-
<b>Total liabilities</b>	<b>66,870</b>	<b>62,363</b>	<b>52,966</b>	<b>53,622</b>	<b>55,146</b>
Share capital	2,639	2,639	3,869	3,869	3,869
Reserves	8,019	7,686	7,900	7,991	8,261
<b>Total equity</b>	<b>10,659</b>	<b>10,325</b>	<b>11,769</b>	<b>11,860</b>	<b>12,130</b>
Non-controlling interest	0	0	0	0	0
<b>Total liabilities &amp; equity</b>	<b>77,529</b>	<b>72,688</b>	<b>64,736</b>	<b>65,482</b>	<b>67,276</b>
<b>Supplementary items</b>					
Risk weighted assets (RWA)	n/a	n/a	n/a	n/a	n/a
Average interest earning assets	70,155	70,440	63,334	60,092	61,824
Average interest bearing liabilities	60,179	62,222	55,561	51,192	52,271
CET 1 capital	n/a	n/a	n/a	n/a	n/a
Total capital	0	0	0	0	0
Gross non performing loans (NPL)	3,539	4,797	5,227	5,645	5,944
<b>Per share (THB)</b>					
Book value per share	20.19	19.55	16.72	17.00	17.39
Tangible book value per share	20.19	19.55	16.72	17.00	17.39
<b>Growth</b>					
Gross customer loans	11.4	(8.6)	(14.2)	2.0	5.0
Average interest earning assets	15.4	0.4	(10.1)	(5.1)	2.9
Total asset (%)	12.1	(6.2)	(10.9)	1.2	2.7
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	-	-	-	-	-
<b>Leverage &amp; capital measures</b>					
Customer loan/deposits (%)	-	-	-	-	-
Equity/assets (%)	13.7	14.2	18.2	18.1	18.0
Tangible equity/assets (%)	13.7	14.2	18.2	18.1	18.0
RWA/assets (%)	-	-	-	-	-
CET 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
<b>Asset Quality (FSSIA's calculation)</b>					
Change in NPL (%)	50.8	35.6	9.0	8.0	5.3
NPL/gross loans (%)	4.7	7.0	8.8	9.4	9.4
Allowance for ECL/gross loans (%)	2.9	3.9	5.0	5.3	5.5
Allowance for ECL/NPL (%)	62.3	56.3	56.5	56.5	58.2
<b>Valuation</b>					
Recurring P/E (x) *	3.1	11.3	12.3	12.4	9.3
Recurring P/E @ target price (x) *	2.6	9.4	10.2	10.3	7.7
Reported P/E (x)	3.1	11.3	12.3	12.4	9.3
Dividend yield (%)	16.3	4.5	4.1	4.0	5.4
Price/book (x)	0.4	0.4	0.4	0.4	0.4
Price/tangible book (x)	0.4	0.4	0.4	0.4	0.4
Price/tangible book @ target price (x)	0.3	0.3	0.4	0.3	0.3
* Pre-exceptional, pre-goodwill and fully diluted					

Sources: Asia Sermkij Leasing; FSSIA estimates

# Asia Sermkij Leasing PCL (ASK TB)

## FSSIA ESG rating



**25.25 /100**

### Exhibit 11: FSSIA ESG score implication

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★★	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★★	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★★	>19-39	<b>Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.</b>
★	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Source: FSSIA estimates

### Exhibit 12: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings						Bloomberg	
		DJSI	SET ESG	SET ESG Rating	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
ASK	25.25	--	--	--	4.00	5.00	Certified	Medium	--	--	--	--	--	--	--
MTC	68.21	--	Y	Y	5.00	5.00	Certified	Low	42.19	AA	--	58.09	42.00	3.31	--
SAK	45.28	--	Y	Y	4.00	4.00	Certified	High	40.10	--	--	43.87	--	2.02	36.23
SAWAD	46.52	--	Y	Y	4.00	5.00	--	Medium	43.97	BB	--	20.18	13.00	1.93	40.04
TIDLOR	36.71	--	--	--	4.00	4.00	Certified	Medium	37.03	--	--	23.69	19.00	1.66	--

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation

### Exhibit 13: ESG disclosure from the company's one report

FY ending Dec 31		FY 2022	FY ending Dec 31		FY 2022
<b>Environmental</b>			<b>Governance</b>		
Climate change policy		Yes	<b>Board size / Independent directors (ID) / Female</b>		<b>12 / 5 / 2</b>
Climate change opportunities discussed		--	No. of board meetings for the year / % attendance		7 / 90.48%
GHG scope 2 location-based policy		Yes	Company conducts board evaluations		Yes
Biodiversity policy		--	Number of non-executive directors on board		11
Energy efficiency policy		Yes	Director share ownership guidelines		No
Electricity used		Yes	Board age limit		No
Fuel used - crude oil/diesel		--	Age of the youngest / oldest director		50 / 75
Waste reduction policy		Yes	Number of executives / female		7 / 0
Water policy		Yes	Executive share ownership guidelines		No
Water consumption		3,557	<b>Size of audit committee / ID</b>		<b>4 / 4</b>
<b>Social</b>			Audit committee meetings		4
Human rights policy		Yes	Audit committee meeting attendance (%)		100
Policy against child labor		--	<b>Size of compensation committee</b>		<b>-- / --</b>
Quality assurance and recall policy		Yes	Number of compensation committee meetings		--
Consumer data protection policy		Yes	Compensation committee meeting attendance (%)		--
Equal opportunity policy		Yes	<b>Size of nomination committee / ID</b>		<b>-- / --</b>
Gender pay gap breakout		--	Number of nomination committee meetings		--
Pct women in workforce		53.64	Nomination committee meeting attendance (%)		--
Business ethics policy		Yes	Board compensation (THB m)		7.02
Anti-bribery ethics policy		Yes	Auditor fee (THB m)		4.40
Health and safety policy		Yes	(EY OFFICE LIMITED)		
Lost time incident rate - employees		--			
Training policy		Yes			
Fair remuneration policy		Yes			
Number of employees - CSR		--			
Total hours spent by firm - employee training		--			
Social supply chain management		--			

Source: FSSIA's compilation

## Disclaimer for ESG scoring

ESG score	Methodology	Rating																												
The Dow Jones Sustainability Indices ( <a href="#">DJSI</a> ) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																												
SET ESG Ratings List ( <a href="#">SETESG</a> ) by The Stock Exchange of Thailand ( <a href="#">SET</a> )	SET ESG quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for <b>SETESG inclusion</b> , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. <b>SETESG Index</b> is extended from the SET ESG Ratings companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																												
<b>CG Score</b> by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																												
<b>AGM level</b> By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&amp;A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																												
<a href="#">Thai CAC</a> By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																												
<a href="#">Morningstar Sustainabilitys</a>	The Sustainabilitys' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality &amp; peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+																		
NEGL	Low	Medium	High	Severe																										
0-10	10-20	20-30	30-40	40+																										
<a href="#">ESG Book</a>	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																												
<a href="#">MSCI</a>	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table><tr><td><b>AAA</b></td><td>8.571-10.000</td><td><b>Leader:</b></td><td>leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td><b>AA</b></td><td>7.143-8.570</td><td></td><td></td></tr><tr><td><b>A</b></td><td>5.714-7.142</td><td></td><td></td></tr><tr><td><b>BBB</b></td><td>4.286-5.713</td><td><b>Average:</b></td><td>a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td><b>BB</b></td><td>2.857-4.285</td><td></td><td></td></tr><tr><td><b>B</b></td><td>1.429-2.856</td><td></td><td></td></tr><tr><td><b>CCC</b></td><td>0.000-1.428</td><td><b>Laggard:</b></td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>	<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570			<b>A</b>	5.714-7.142			<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285			<b>B</b>	1.429-2.856			<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks	
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<a href="#">Moody's ESG solutions</a>	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																													
<a href="#">Refinitiv ESG rating</a>	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																													
<a href="#">S&amp;P Global</a>	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																													
<b>Bloomberg</b>	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																												
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																												

[Rating](#) regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**"; 2) "**AGM Level**"; 3) "**Thai CAC**"; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Nathapol Pongsukcharoenkul FSS International Investment Advisory Securities Co., Ltd

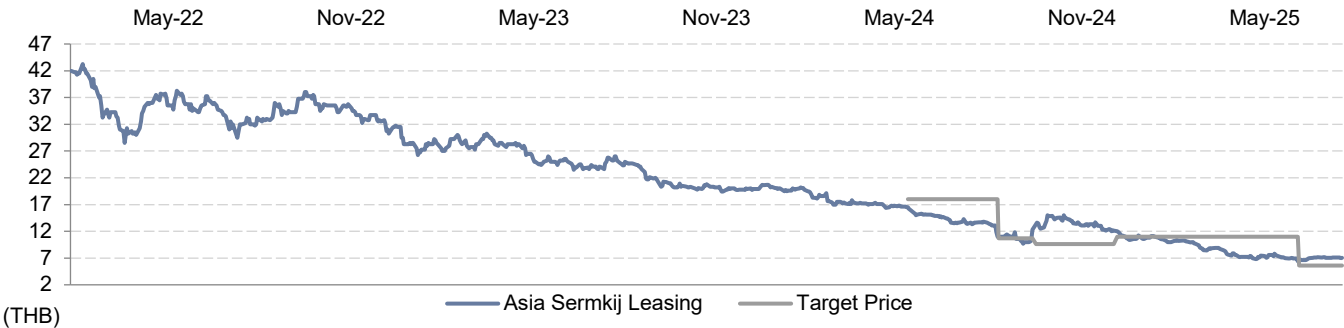
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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History of change in investment rating and/or target price

Asia Sermkij Leasing (ASK TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
07-May-2024	HOLD	18.00	23-Aug-2024	HOLD	9.60	08-Apr-2025	REDUCE	5.60
24-Jul-2024	REDUCE	10.70	01-Nov-2024	HOLD	11.00			

Nathapol Pongsukcharoenkul started covering this stock from 08-Apr-2025

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Asia Sermkij Leasing	ASK TB	THB 7.05	REDUCE	Upside risks include 1) a better-than-expected macroeconomic improvement; 2) downtrend of policy rate could reduce cost of funds and enhance interest spreads; and 3) a faster-than-expected decline in ECL expense.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited.

All share prices are as at market close on 16-May-2025 unless otherwise stated.

## RECOMMENDATION STRUCTURE

### Stock ratings

Stock ratings are based on absolute upside or downside, which we define as  $(\text{target price}^* - \text{current price}) / \text{current price}$ .

**BUY (B).** The upside is 10% or more.

**HOLD (H).** The upside or downside is less than 10%.

**REDUCE (R).** The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

\* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

### Industry Recommendations

**Overweight.** The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

**Neutral.** The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

**Underweight.** The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

### Country (Strategy) Recommendations

**Overweight (O).** Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Neutral (N).** Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Underweight (U).** Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.