

DAR AL-ETIMAN AL SAUDI COMPANY
(A Saudi Closed Joint Stock Company)

CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019 (UNAUDITED)
AND REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

DAR AL-ETIMAN AL SAUDI COMPANY
(A Saudi Closed Joint Stock Company)
UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD MARCH 31, 2019

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Report on review of interim financial information

To the shareholders of Dar Al-Etiman Al Saudi Company:
(A Saudi Closed Joint Stock Company)

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Dar Al-Etiman Al Saudi Company as of March 31, 2019 and the related condensed statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended and notes, comprising a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") as modified by the Saudi Arabian Monetary Authority ("SAMA") for the accounting of zakat and income tax. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity", as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, as endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34 as modified by SAMA for the accounting of zakat and income tax.

PricewaterhouseCoopers

Mufaddal A. Ali
License Number 447

April 25, 2019



DAR AL-ETIMAN AL SAUDI COMPANY
(A Saudi Closed Joint Stock Company)
Condensed interim statement of financial position
(All amounts in Saudi Riyals unless otherwise stated)

	Note	As at	
		March 31, 2019 (Unaudited)	December 31, 2018 (Audited)
Assets			
Cash and cash equivalents	5	20,131,284	9,138,511
Net investment in finance lease	6	108,106,685	227,622,421
Prepayments and other receivables	7	61,078,850	78,078,927
Zakat refundable		8,910,378	9,281,143
Financial asset at fair value through other comprehensive income	3	892,850	892,850
Property and equipment		1,076,987	543,285
Total assets		200,197,034	325,557,137
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	8	100,000,000	100,000,000
Statutory reserve	9	4,454,606	4,454,606
Retained earnings		14,099,880	7,278,819
Total shareholders' equity		118,554,486	111,733,425
Liabilities			
Accounts payable	12	43,750,997	189,884,541
Accrued and other liabilities	10	5,780,514	7,572,328
Provision for zakat	11	-	-
Net servicing liability under agency agreement	15	29,562,813	13,718,870
Post-employment benefits		2,548,224	2,647,973
Total liabilities		81,642,548	213,823,712
Total shareholders' equity and liabilities		200,197,034	325,557,137

These condensed interim financial information have been approved by the management on April 25, 2019 and signed on their behalf by:



Director



Chief Financial Officer

The accompanying notes form an integral part of these condensed interim financial information.

DAR AL-ETIMAN AL SAUDI COMPANY
(A Saudi Closed Joint Stock Company)
Condensed interim statement of comprehensive income
(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the three-month period ended	
		March 31,	
		2019	2018
		(Unaudited)	(Unaudited)
Income			
Income from finance leases		8,265,833	6,702,148
Net income from finance lease receivable sold to financial institutions		10,762,284	-
Other income		2,000,529	659,532
Total income		21,028,646	7,361,680
Expenses			
Finance charges		(1,158,416)	(840,539)
General and administrative expenses		(5,310,856)	(5,892,232)
Allowance for impairment on investment in finance lease	6	(2,700,000)	(670,312)
Other operating costs		(4,667,548)	(3,870,215)
Total expenses		(13,836,820)	(11,273,298)
Profit (loss) for the period		7,191,826	(3,911,618)
Other comprehensive income		-	-
Total comprehensive income (loss) for the period		7,191,826	(3,911,618)

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Director



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DAR AL-ETIMAN AL SAUDI COMPANY
(A Saudi Closed Joint Stock Company)
Condensed interim statement of changes in shareholders' equity
 (All amounts in Saudi Riyals unless otherwise stated)

	Share capital	Statutory reserve	Retained earnings	Total
Balance as at January 1, 2019	100,000,000	4,454,606	7,278,819	111,733,425
Total comprehensive income for the period	-	-	7,191,826	7,191,826
Zakat charge for the period	-	-	(370,765)	(370,765)
Balance as at March 31, 2019 (unaudited)	100,000,000	4,454,606	14,099,880	118,554,486
Balance as at January 1, 2018 (audited)	100,000,000	4,454,606	7,318,395	111,773,001
Total comprehensive loss for the period			(3,911,618)	(3,911,618)
Zakat charge for the period			(750,000)	(750,000)
Balance as at March 31, 2018 (unaudited)	100,000,000	4,454,606	2,656,777	107,111,383

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 Director



 Chief Financial Officer

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DAR AL-ETIMAN AL SAUDI COMPANY
(A Saudi Closed Joint Stock Company)
Condensed interim statement of cash flows
(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the three-month period ended March 31,	
		2019 (Unaudited)	2018 (Unaudited)
Cash flows from operating activities			
Income (loss) for the period		7,191,826	(3,911,618)
<u>Adjustments for:</u>			
Depreciation on property and equipment		75,865	112,046
Impairment charge against investment in finance lease	6	2,700,000	670,312
Provision for post-employment benefits		149,341	151,076
Finance charges		1,158,416	840,539
<u>Changes in working capital:</u>			
Prepayments and other receivables		(6,538,793)	4,682,214
Accounts payable		(146,133,544)	(17,252,888)
Accrued and other liabilities		(1,791,814)	2,220,382
Net servicing liability under agency agreement		13,243,860	(3,460,388)
Net cash (utilized in) / generated from operations		(129,944,843)	(15,948,325)
Post-employment benefits paid		(249,090)	(199,519)
Net cash (utilized in) / generated from operating activities		(126,495,115)	(16,147,844)
Cash flow from investing activities			
Cash received on sale of investment in finance lease		146,281,343	-
Investment in finance lease		(29,465,607)	6,822,323
Release of restricted deposit		24,980,537	-
Additions to property and equipment		(609,567)	-
Net cash generated from / (utilized in) investing activities		141,186,706	6,822,323
Net change in cash and cash equivalents		10,992,773	(9,325,521)
Cash and cash equivalents at beginning of the period		9,138,511	21,121,002
Cash and cash equivalents at end of the period	5	20,131,284	11,795,481

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Director



Chief Financial Officer

The accompanying notes form an integral part of these condensed interim financial information.

DAR AL-ETIMAN AL SAUDI COMPANY
(A Saudi Closed Joint Stock Company)

Notes to the condensed interim financial information for the three-month period ended March 31, 2019

(All amounts in Saudi Riyals unless otherwise stated)

1. General information

Dar Al-Etiman Al Saudi Company (the "Company") is principally engaged in providing lease financing for motor vehicles within the Kingdom of Saudi Arabia. The Company's head office is located at Prince Sultan Street, P.O. Box 55274, Jeddah 21534, Saudi Arabia.

The Company is incorporated as a Saudi Closed Joint Stock Company ("SCJSC") pursuant to Ministerial Resolution No. 486/Q dated Jumad-ul-Thani 11, 1436 (corresponding to March 31, 2015). Prior to its conversion to a Saudi closed joint stock company, the Company was operating as a Limited Liability Company ("LLC") registered in the Kingdom of Saudi Arabia under Commercial Registration number 4030165101 issued in Jeddah on Dhul-Qada 5, 1427H (corresponding to December 5, 2006).

In accordance with requirements of Article 6 of the Implementing Regulation of the Law of Supervision of Finance Companies, Company has obtained a license No. 33/AM/201505 from Saudi Arabian Monetary Authority (SAMA) to conduct finance lease activities on Rajab 16, 1436 (corresponding to May 5, 2015).

The accompanying condensed interim financial information include the accounts of the Company's head office and all its branches.

2. Basis of preparation

The condensed interim financial information of the Company as at and for the three month period ended March 31, 2019 have been prepared in accordance with International Accounting Standard 34 (IAS 34) '*Interim Financial Reporting*' as modified by the Saudi Arabian Monetary Authority ("SAMA") for the accounting of zakat and income tax. The condensed interim financial information do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2018. The Company has adopted IFRS 16 '*Leases*' from January 1, 2019 and accounting policies due to adoption of this standard are disclosed in Note 2.5.

These condensed interim financial information are expressed in Saudi Riyals, which is the Company's functional and reporting currency.

These condensed interim financial information have been reviewed, not audited.

New and amended standards adopted by the Company

A number of new or amended standards became applicable for the current reporting period, and the Company had to change its accounting policies as a result of adopting IFRS 16 Leases effective January 1, 2019.

The impact of the adoption of the leasing standard and the new accounting policies are disclosed in Note 3 below. The other standards did not have any impact on the Company's accounting policies and did not require retrospective adjustments.

Impact of standards issued but not yet applied by the Company

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial information are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective:

Standard/ Interpretation	Description	Effective from periods beginning on or after
Amendments to IFRS 3 – definition of a business	This amendment revises the definition of a business. According to feedback received by the IASB, application of the current guidance is commonly thought to be too complex, and it results in too many transactions qualifying as business combinations	January 1, 2020
Amendments to IAS 1 and IAS 8 on the definition of material	These amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors', and consequential amendments to other IFRSs: i) use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting; ii) clarify the explanation of the definition of material; and iii) incorporate some of the guidance in IAS 1 about immaterial information	January 1, 2020
IFRS 17, 'Insurance contracts'	This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features	January 1, 2021

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Notes to the condensed interim financial information for the three-month period ended March 31, 2019
(All amounts in Saudi Riyals unless otherwise stated)

2. Basis of preparation (continued)

The adoption of above IFRS or IFRS interpretations and amendments are not expected to have a significant impact on the financial statements. There are no other relevant IFRS or IFRS interpretations that are not yet effective that would be expected to have a material impact on the Company's financial statements

Use of estimate

The preparation of these condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Such judgements, estimates, and assumptions are continually evaluated and are based on historical experience and other factors, including obtaining professional advices and expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and in future periods if the revision affects both current and future periods and there were no material changes in the judgment and estimates made by the Company in preparation of the accompanying condensed interim financial information as compared to December 31, 2018 except for the estimates for determining the lease term stated in Note 3.

In addition, results for the three-month period ended March 31, 2019 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2019.

3. Impact of adoption of IFRS 16

b) Change in the accounting policy

The Company has adopted IFRS 16 'leases' retrospectively using the modified approach from January 1, 2019, and therefore has not restated comparative information, as permitted under the specific transitional provisions in the standard. The new accounting policy of the Company for leases is as follows:

The Company recognises a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, then the Company's incremental borrowing rate is used.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- amounts expected to be payable by the lessee under residual value guarantees;
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When a lease liability is re-measured in this way, corresponding adjustment is made to the carrying amount of the right-of-use, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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(All amounts in Saudi Riyals unless otherwise stated)

3. Impact of adoption of IFRS 16 (continued)

Short-term leases and leases of low-value assets

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise.

Extension options

Extension options are included in the lease contracts for office premises of the Company. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension options held are exercisable only by mutual agreement of the Company and the respective lessor.

Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

b) Impact of adoption of IFRS 16 on the condensed interim financial information

On January 1, 2019, all the leases of the Company are for a period of less than twelve months. Consequently, the Company has elected not to recognise right-of-use assets and lease liabilities against such leases under IFRS 16.

Reconciliation of operating lease commitments disclosed as at December 31, 2018 and lease liability recognized as at January 1, 2019:

	Saudi Riyals
Operating lease commitments disclosed as at 31 December 2018	1,334,525
Less: short-term leases	<u>(1,334,525)</u>
Lease liability recognized as at January 1, 2019	<u>-</u>

Therefore, the adoption of IFRS 16 and change in the accounting policy for leases did not have any significant impact on the condensed interim financial information of the Company.

4. Significant accounting policies

The principle accounting policies applied used in the preparation of these condensed interim financial information are consistent with those used in the preparation of the Company's annual financial statements for the year ended December 31, 2018 except for the policies for accounting of 'leases' which is explained in Note 3 above

5. Cash and cash equivalents

	March 31, 2019	December 31,
	(Unaudited)	2018
		(Audited)
Cash in hand	1,765,250	415,352
Cash at banks	18,366,034	8,723,159
	<u>20,131,284</u>	<u>9,138,511</u>

DAR AL-ETIMAN AL SAUDI COMPANY
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Notes to the condensed interim financial information for the three-month period ended March 31, 2019

(All amounts in Saudi Riyals unless otherwise stated)

6. Investment in finance lease

	March 31, 2019	December 31,
	(Unaudited)	2018
		(Audited)
Gross investment in finance lease	177,750,926	349,727,662
Less: Unearned finance income and other related credits	(38,383,944)	(93,496,611)
	139,366,982	256,231,051
Less: Impairment against investment in finance lease	(31,260,297)	(28,608,630)
Net investment in finance lease	108,106,685	227,622,421

The Company's implicit rate of return on leases ranges between 9% and 11% per annum (2017: between 9% and 11% per annum). These are secured by promissory notes from the customer and against leased assets.

Amounts due after one year represents minimum lease payments under finance lease contracts, which are due for payment by customers after one year from the statement of financial position date.

Following are the scheduled maturities of the net investment in finance lease:

Twelve months period ending March 31:

2019-2020	35,392,568
2020-2021	26,639,479
2021-2022	22,428,610
2022-2023	13,268,152
2023-2024	10,377,876
	108,106,685

During the period, the Company has sold its finance lease receivables (investment in finance lease) amounting to Saudi Riyals 188.5 million to a financial institution and derecognized the same from its books and recorded a net gain of Saudi Riyals 10.76 million on such derecognition. Also, the Company had sold and derecognized finance lease receivables in prior years. Outstanding position of such sold receivables has been disclosed in Note 15. Further, the Company has entered into an arrangement for servicing such sold finance lease receivables on behalf of the financial institutions. In respect of these sold finance lease receivables, the Company acts in the capacity of a servicing agent for subsequent collection of lease instalments on behalf of the financial institutions. The Company has calculated and accounted for a net servicing liability under such agreement with these financial institutions, which is disclosed in Note 15.

6.1 The movement in in impairment of investment finance lease is as follows:

	March 31, 2019	December 31,
	(Unaudited)	2018
		(Audited)
Opening	28,608,630	28,188,728
Charged	2,700,000	4,800,000
Write-offs	(48,333)	(4,380,098)
Closing	31,260,297	28,608,630

6.2 Category-wise allowance for impairment in investment in finance lease is as follows:

	March 31, 2019	December 31,
	(Unaudited)	2018
		(Audited)
Performing	35,018	337,734
Under-performing	664,094	2,883,274
Non-performing	30,561,185	25,387,622
	31,260,297	28,608,630

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Notes to the condensed interim financial information for the three-month period ended March 31, 2019

(All amounts in Saudi Riyals unless otherwise stated)

7. Prepayments and other receivables

		March 31, 2019	December 31,
	Note	(Unaudited)	2018
			(Audited)
Restricted deposits	7.1	47,716,122	57,164,574
Prepaid insurance		5,180,037	10,700,138
Receivable from employees		1,792,548	1,498,764
Other prepayments and receivables		6,390,143	8,715,451
		61,078,850	78,078,927

7.1 The Company has been appointed as a servicing agent for the sold receivables to the financial institutions therefore the financial institutions require the Company to keep certain balance as restricted deposit against such services for sold receivables. These deposits will be released at the end of securitization contracts and are recorded at their amortised cost. The non-current portion of these restricted deposits is amounting to Saudi Riyals 43.3 million (2017: Saudi Riyals 55.8 million). During the period, Saudi Riyals 16 million were withheld by the bank from the proceeds against sale of lease receivables. Also, see Note 6.

8. Share capital

The share capital of the Company as of March 31, 2019 and December 31, 2018 was comprised of 100,000 shares stated at Saudi Riyals 1,000 per share owned as follows:

		Shareholding	
	Country of	March 31, 2019	December 31,
	incorporation	(Unaudited)	2018
			(Audited)
Modern Ajwad for Commercial Investment Company Limited	Saudi	60%	60%
Tawad Holding Company	Saudi	40%	40%
		100%	100%

9. Statutory reserve

In accordance with the Regulations for Companies in the Kingdom of Saudi Arabia, the Company is required to allocate 10% of its net income each year to a statutory reserve, after any accumulated deficit is absorbed, until such reserve equals 30% of its share capital. This reserve is not currently available for distribution to the shareholders.

10. Accrued and other liabilities

	March 31, 2019	December 31,
	(Unaudited)	2018
		(Audited)
Employee related accruals	2,273,120	3,924,177
Advances from customers	704,363	516,952
Accrued board of directors remuneration	675,000	540,000
Other accruals	2,128,031	2,591,199
	5,780,514	7,572,328

11. Zakat matters

Status of final assessments

The Company has filed its zakat declarations with the General Authority of Zakat and Tax (GAZT) upto 2017.

Subsequent to the year ended December 31, 2018, the Company received a settlement notice from GAZT stating the fact that from the year the Company was given a license from SAMA to be involved in finance lease activities till 2017 the Company has been given a refund from GAZT amounting to Saudi Riyals 9.7 million. The Company recorded such refund in the financial statements for the year ended December 31, 2018.

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Notes to the condensed interim financial information for the three-month period ended March 31, 2019

(All amounts in Saudi Riyals unless otherwise stated)

11. Zakat matters (continued)

Status of final assessments (continued)

Also, during the period, GAZT has provided a revised formula for computation of zakat from the year 2019. The Company has computed zakat charge for the current quarter based on such revised formula and recognized a provision of Saudi Riyals 0.37 million in the retained earnings with the corresponding credit to the zakat refundable in statement of financial position.

The management believes that the provision recognized in the condensed interim financial information is sufficient to meet the current and previous zakat obligations and no further provision is required.

12. Related party transactions

During the three-month period ended March 31, 2018, the Company had transactions with following related parties:

Name	Relationship
Universal Motors Agencies ("UMA")	Affiliate
Key management personnel	Connected persons

The significant transactions and related amounts are as follows:

	Three-month period ended March 31, 2019 (Unaudited)	March 31, 2018 (Unaudited)
Purchase of motor vehicles	16,341,783	12,670,441
Finance cost charged by UMA	1,159,116	1,068,194

Compensation of key management personnel

	Three-month period ended March 31, 2019 (Unaudited)	March 31, 2018 (Unaudited)
Salaries and bonuses paid / accrued to key management personnel	240,272	150,198
Directors remuneration	135,000	135,000
End of service indemnities accrued during the period	13,953	8,088

Payable to a related party

Significant period end balance arising from transactions with a related party is as follows:

	Relationship	March 31, 2019 (Unaudited)	December 31, 2018 (Audited)
Universal Motors Agencies	Affiliate	1,576,328	149,782,303

13. Financial risk management

The Company's activities are exposed to a variety of financial risks which mainly include market risk (including foreign exchange risk, interest rate risk and price risk) credit risk and liquidity risk. The condensed interim financial information do not include all financial risk management information and disclosures required in the annual financial statements; and therefore should be read in conjunction with the Company's annual financial statements as at December 31, 2018. There have been no changes in the risk management policies since the year end.

14. Seasonality of operations

The principal activity of the Company is to provide finance lease services to customers and its activities are evenly spread throughout the year.

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Notes to the condensed interim financial information for the three-month period ended March 31, 2019

(All amounts in Saudi Riyals unless otherwise stated)

15. Finance lease receivables – securitization and agency agreements

In accordance with the terms of certain securitization and agency agreements, the Company has sold finance lease receivables to various financial institutions.

The outstanding position of such off statement of financial position finance lease receivables is as follows:

	March 31, 2019 (Unaudited)	December 31, 2018 (Audited)
Finance lease receivables sold under securitization agreements	310,226,982	175,477,025

Maturity profile of finance lease receivable sold under securitized deals are as follows:

	March 31, 2019 (unaudited)	
	Less than one year	One to five year
Securitization agreements	103,769,349	206,457,633
	December 31, 2018 (Audited)	
	Less than one year	One to five year
Securitization agreements	89,976,120	85,500,905

Net servicing liability under agency agreements

Under the securitization and agency agreements, the Company has been appointed by the financial institutions to service the purchased receivables. Where the Company is appointed to service the derecognized financial assets for a fee, the Company initially recognizes either a net servicing asset or a net servicing liability for that servicing contract at its fair value.

The fair value of net servicing asset/ liability is determined based on the present value of estimated future cash flows related to contractually specified servicing fees less servicing costs. The primary determinants of the fair value of net servicing asset/ liability are discount rates, estimates of servicing costs and the fixed servicing fees. The management assesses the cost of servicing including salaries and other direct costs. The annual change in the servicing cost represents the increment to the servicing cost as a result of inflation.

Variations in one or a combination of these assumptions could materially affect the estimated values of net servicing liability.