

ANNUAL REPORTS AND STATEMENT OF ACCOUNTS 2012



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Notice of 14th Annual General Meeting

Notice is Hereby Given that the 14th Annual General Meeting of ASO SAVINGS AND LOANS PLC will be held at Ladi Kwali Hall, Sheraton Hotel and Towers, Zone 4, Wuse, Abuja, FCT on Thursday, 16th of August 2012 at 10am to transact the following business:-

ORDINARY BUSINESS:

1. To receive and consider the Audited Financial Statements for the year ended March 31st, 2012, together with the Reports of the Directors, Auditors and Audit Committee thereon.
2. To ratify the appointment of Directors.
3. To re-elect directors.
4. To approve the remuneration of Directors
5. To authorize the Directors to fix the remuneration of the Joint Auditors
6. To elect members of the Audit Committee

SPECIAL BUSINESS:

1. To consider and if deemed fit amend the Memorandum and Articles of Association as follows:
 - a. In view of the increase in the share capital of the Company from N5,000,000,000 (Five Billion Naira) made up of 10 Billion ordinary shares of 50 kobo each to N10,000,000,000 (Ten Billion Naira) made up of 20 Billion ordinary shares of 50 kobo each, the Capital Clause at Clause 6 of the Memorandum of Association be and is hereby amended to reflect the above increase as follows: "The share capital of the Company is N10,000,000,000 (Ten Billion Naira) made up of 20,000,000,000 (Twenty Billion) Ordinary shares of 50 kobo each (with power to issue any of the shares with or subject to any preferential, special or qualified rights or conditions)".

Dated this 23rd Day of July 2012

Note:

Proxy: A member entitled to attend and vote at this meeting is entitled to appoint a Proxy to attend and vote instead of him. A proxy need not be member of the Company. A proxy form is enclosed. To be valid, the proxy form must be stamped by the commissioner for stamp duties and deposited at the registered office of the Company, Plot 266 FMBN Building, Central Business District, Abuja not later than 48 hours before the time of the meeting.

By Order of the Board

Bilkisu Rimi (Ms.)
Company Secretary

Chairman's Statement

Fellow Shareholders, Invited Guests,

I would like to welcome you once again to another Annual General Meeting for the year 2011/2012.

Your Bank remained resilient and continued to stride to be ahead of our competitors despite the slow economic growth witnessed by our country and our region.

Notwithstanding this challenging environment, we made progress against our objective of being the mortgage bank of choice for Nigerians and on the key actions we are taking to deliver strong, stable and sustainable returns for shareholders over time. Our mission rests on the belief that every Nigerian deserves a home and we are making efforts to provide competitive mortgages to eligible Nigerians and also provide continuous support to credible developers in order to make available affordable housing to Nigerians. Our challenge now is to ensure the standards we have set for ourselves get implemented uniformly across all our operations throughout Nigeria.

1. CORPORATE GOVERNANCE

In accordance with good corporate governance procedures the Board ensured the maintenance of good internal control procedures, adherence to rules and regulations and compliance with legal requirements through scheduled meetings of the Board and the Audit sub-committee. Through these regular review procedures, the Board is satisfied that the systems in place are adequate to manage the risk inherent in the banking business which continues to be a viable concern.

While stringent corporate governance practices and internal controls are already in place, we believe there is always room for improvement and are continuously exploring new avenues and measures to enhance the Bank's and Group's system of governance. In doing so, the Board not only pays attention to ethical conduct, value enrichment and the implementation of best practices, but also makes considerable effort to understand and manage stakeholders' expectations. Such understanding is essential to ensure that our position and reputation as a financial institution is held in good stead. Moreover, this understanding enables us to fulfill the evolving needs of our stakeholders and support the Group's efforts to compete in the Nigerian market.

2. OPERATING RESULTS

Notwithstanding the global crisis, the bank reported a profit of N300 million for the year ended 31 March 2012. The balance sheet grew by about 12% largely due to a 24% increase (from N33 billion in 2011 to N41 billion) in loans and advances and 32% increase (from N20 billion in 2011 to N27 billion in 2012) in placements. Mortgage assets constitute 79% of total loans and advances, solidifying ASO's credentials as the number one mortgage banking institution in Nigeria. The bank also recorded increase in deposit liabilities which grew by 5% closing at N68 billion (from N65 billion in 2011).

3. FUTURE OUTLOOK

It remains our objective over time to continue our business with robust governance structure as a self-supporting, dividend paying primary mortgage institution. I believe our approach of focusing on our customers and creating strong relationships with our distinct brand will make us excel on the clear operating model we have, and continue to succeed in the Nigerian economy. Our management team has provided real leadership to the company and has driven financial and operational success embedded on a strong culture of teamwork and integrity. It is this team work that has created the results that we have experienced and will ensure our continued success in future years.

Following approval by shareholders for the board of directors to raise additional capital, we will like to inform our distinguish shareholders that this process is on course and that all necessary mechanisms to achieve this goal are in place. We thank you for your corporation and we expect to conclude on this matter very soon.

Chairman's Statement (Cont'd)

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4. CONCLUSION

I would like to thank all of our employees for their contribution to making 2011/2012 a successful year. I acknowledge that it is the commitment, support and dedication of every one of our employees that makes so much difference. I look forward to continuing our journey together in the years ahead.

Thank you,



Mr. Olatunde John Ayeni
Chairman, Board of Directors

Chief Executive Officer's Statement

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1. INTRODUCTION

The 2011/2012 financial year can best be described as a challenging year. It was a year in which we continued to execute our strategy of enhancing deposit mobilization and sales through careful product expansion in key target markets while at the same time improving operational efficiencies, strengthening internal controls and maintaining close control over credit quality. It was also a year in which the Bank worked hard to increase its sustainable revenue growth by expanding core businesses and deepening relationships with its retail and commercial customers. Our drive to be the Mortgage bank of choice is creating a positive impact on our service delivery and continues to demonstrate our expanding presence in the Nigerian Market.

While there is no doubt that the relatively strong Nigerian economy and our strategic investments in key businesses and markets helped to drive our growth in the financial year, the recent volatility in international credit and liquidity markets has also underscored the need for us to focus on managing our businesses prudently in the year ahead. It is a challenge we look forward to as we continue to search for even more effective ways to serve our many customers across the country.

In recent years, ASO has maintained market leadership and we are determined to continue in that position. Generally, I am glad to report that notwithstanding the significant challenges in the year just ended, the bank was able to preserve shareholder value.

2. PERFORMANCE

In 2011/2012, we established our longer term strategy for the organization, acted quickly and decisively to mitigate the effects of a challenging environment and put in place the right foundations to deliver on our objectives over the next 3-5 years. We delivered a resilient performance and made good progress against the key elements of our strategic plan to become the mortgage bank of choice for our customers.

Using the framework set out in our Strategic Review, we strengthened our balance sheet, decreased risk and reduced costs. The investments we made behind our brands, distribution, customer relationships and people have strengthened our brand, and created new opportunities which will enable us to realize over time the ASO's full potential for growth.

We will continue to provide efficient and competitive mortgage solutions to our customers, ensure prudent management and good governance to enhance shareholder value.

We are encouraged by recent government initiatives to stimulate the growth of the sector including the efforts to amend the land use Act, create mortgage liquidity facility, and enact appropriate foreclosure legislation.

3. CONCLUSION

While 2011/2012 was a difficult year, we nevertheless remain optimistic about the future. We are operating in a potentially high growth sector, and strongly believe that the sector's potentials will be unleashed within the next 18 months. We are confident that we are well positioned to benefit from the growth in the sector. On behalf of the Board and Management; I would like to thank all staff for their dedicated efforts and contributions towards the Bank's achievements in 2011/2012, and urge them to always give off their best and indisputably make ASO the mortgage bank of choice for Nigerians.

Chief Executive Officer's Statement (Cont'd)

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Thank you

A handwritten signature in black ink, appearing to read 'Hassan Musa Usman'. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Hassan Musa Usman
Managing Director/CEO



ASO SAVINGS & LOANS PLC

REPORT OF THE AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

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Financial Highlights

For The Year Ended 31 March 2012

	31 March, 2012 N'000	31 March, 2011 N'000	Increase/ (decrease) %
Major balance sheet items:			
Total assets	86,234,753	76,961,274	12
Deposit and current accounts	68,335,945	65,009,377	5
Due to other banks	6,000,000	-	100
Share capital	4,339,574	4,339,574	-
Loans and advances	41,162,727	33,079,667	24
Shareholders' funds	3,137,750	3,008,452	4
Major profit and loss account items:			
Gross earnings	10,784,934	11,007,714	(2)
Allowance for doubtful accounts (written back)/charged	713,034	(842,155)	185
Profit before taxation	300,681	1,902,859	(84)
Taxation and Nitda levy	(171,383)	(690,524)	(75)
Profit after taxation	129,298	1,212,335	(89)
Information per 50k ordinary share:			
Earnings: -	N	N	
- Basic (kobo)	1	13.97	
Net assets (N)	0.36	0.35	
Total assets:			
- actual (N)	9.94	8.87	
Stock Exchange quotation	0.50	0.95	
Ratios:	%	%	
Cost to income	97	83	
Return on assets	0	2	
Return on shareholders' funds	4	40	
Number of branches (number)	22	14	
Number of staff (number)	697	635	
Number of shares in issue (thousand)	8,679,148	8,679,148	

Directors And Advisers For The Year Ended 31 March 2012



DIRECTORS	
Olatunde Ayeni	Chairman (effective from 27/3/2012)
Abdu Mukhtar	Chairman (resigned on 27/3/2012)
Collins C. Chikeluba	Vice Chairman
Hassan Musa Usman	Managing Director/Chief Executive Officer
Joshua Audu Makori	Director
Kudi Badmus	Executive Director
Mohammed I. Shehu	Executive Director
Maimuna Aliyu	Executive Director
Peter Longe	Executive Director
COMPANY SECRETARY/ GENERAL COUNSEL:	
Bilkisu Rimi	
REGISTERED OFFICE:	
FMBN Building, Plot 266 Cadastral Zone AO Central Business District, Abuja Tel: +234 (9) 2345156-8 Fax: +234 (9) 2345159	
AUDITORS:	
Ernst & Young 2A, Bayo Kuku Road, Ikoyi, Lagos.	Aminu Ibrahim & Co. (Chartered Accountants) City Plaza Plot 596 Ahmadu Bello Way Garki II, Abuja.
REGISTRARS:	
First Registrars Limited Plot 2, Abebe Village Road Iganmu P. M. B. 12692 Lagos	

Report Of The Directors For The Year Ended 31 March 2012

The Directors have pleasure in presenting to the members of ASO Savings and Loans Plc, their report and the audited financial statements for the year ended 31 March 2012.

CORPORATE STRUCTURE AND BUSINESS

The mortgage bank was incorporated on November 9, 1995 as a Private Limited Liability Company in accordance with the provisions of the Companies and Allied Matters Act, 1990. It was licensed to operate as a Mortgage Institution in December 1996 and commenced operations in January 1997. It converted to a Public Limited Company on September 22, 2005. It is wholly owned by Nigerian corporate and individual citizens.

RESULT

The Mortgage Bank's results are shown as follows:

	2012 N'000
Profit after taxation	129,298
Profit for the year transferred to general reserve	129,298

No transfer is made to statutory reserve because the general reserve is in negative

PRINCIPAL ACTIVITIES

The company engages in the business of mortgage banking in all its branches. The Mortgage Bank provides the following products and services:

- Social Mortgage (through the National Housing Fund Scheme)
- ASO Commercial Mortgage Facility
- ASO Performance Bond/Advance Payment Guarantee
- Invoice Discounting Facility (IDF)
- Fixed Deposit Account
- Regular Savings Account
- Flourish Account (Children's Account)
- ASO Corporate Account
- My House Account
- ASO Plus Account (Saving Account)
- ASO Gap Account
- ASO Excel Account (Hybrid of Current & Savings account)
- Commercial Real Estate Advisory
- Issuance of Bonds
- Issuance of Bank Guarantees
- Mortgage Funds Management
- Financial Advisory and Consulting Services



Report Of The Directors (Cont'd) For The Year Ended 31 March 2012

STATE OF AFFAIRS

In the opinion of the Directors, the state of the Mortgage Bank's affairs is satisfactory and no event has occurred since the balance sheet date, which would affect the financial statements as presented.

FIXED ASSETS

Information relating to changes in fixed assets is given in Note 10 to the financial statements.

DIRECTOR'S INTERESTS

The interest of the Directors in the issued share capital of the Mortgage Bank as recorded in the register of Director's holding as at 31 March 2012 are as follows:

Names	Units	
	31/03/2012	31/03/2011
Joshua Audu Maikori	5,031,328	5,031,328
Hassan Usman	21,266,000	21,266,000
Collins Chikezie Chikeluba	400,000,000	400,000,000
Olatunde John Ayeni	470,000,000	470,000,000
Kudi Badmus	11,912,000	11,912,000

SIGNIFICANT INTEREST IN CONTRACT

No Director at any time during this year held any interest what so ever in any contracts of significance with the bank or any of its subsidiaries. Furthermore, the bank is not a party to any significant agreements that shall be effective, altered or terminated in the event of a change of Management of the Bank.

STATEMENT OF DIRECTORS THAT THE BUSINESS IS A GOING CONCERN

Upon making the appropriate enquiries, we the Directors hereby certify that the Company has sufficient resources to continue operational businesses for the foreseeable future and therefore continued to adopt the going concern basis in preparing the financial statements.

Report Of The Directors (Cont'd)

For The Year Ended 31 March 2012

SIGNIFICANT SHAREHOLDERS

Shareholder	31/03/2012 % Holding	31/03/2011 % Holding
Grovecrest Properties Limited	7	7
Abuja Investment Company Limited	10	10
APT Securities & Funds Limited	14.06	14.06
ESL Securities Limited	10.37	10.37
Other Investors	58.57	58.57

EMPLOYEE INVOLVEMENT

The Mortgage Bank is committed to keeping employees fully informed as far as possible regarding the Mortgage Bank's performance and progress and seeking their views wherever practicable on matters, which particularly affect them as employees.

Management, professional and technical expertise are the Mortgage Bank's major assets and investment in developing such skills continues.

EMPLOYMENT OF PHYSICALLY CHALLENGED PERSONS

The company's employment is open to all classes of qualified persons (including the physically challenged). However, no physically challenged person applied for employment, nor was employed by the Mortgage Bank during the year under review. (2011:Nil).

HEALTH, SAFETY OF EMPLOYEES

Health and safety regulations are enforced within the Mortgage Bank's premises and employees are aware of the safety regulations.

DONATION

The Mortgage Bank made contributions to charitable and educational organizations in Nigeria during the year amounting to N14,093,290. (2011: N 8,247,625)

The following donations were made during the year:

Report Of The Directors (Cont'd) For The Year Ended 31 March 2012

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Beneficiaries	N
Enspire Incubation Program	500,000
Breath of Life	1,000,000
Tutu Fellowship	7,860,000
Mocking Bird Books	500,000
FCT Interclub Volleyball Championship	2,000,000
National Association of Nigerian Students	100,000
HIV/Malaria Awareness	405,000
7 public primary schools	1,728,290
TOTAL	14,093,290

AUDITORS

Messrs Ernst & Young and Aminu Ibrahim & Co. have expressed their willingness to continue in office as auditors in accordance with Section 357(2) of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004.

By Order of the Board



COMPANY SECRETARY
11 June 2012



Statement Of Directors' Responsibilities In Relation To The Financial Statements For The Year Ended 31 March 2012

In accordance with the provisions of sections 334 and 335 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 and Sections 24 and 28 of the Bank and Other Financial Institutions Act, CAP B3 Law of the Federation of Nigeria 2004. Directors are responsible for the preparation of financial statements which give a true and fair view of the state of affairs of the Mortgage Bank and of its financial performance for the period. These responsibilities include ensuring that:

- (a) Appropriate internal controls are established both to safeguard the assets of the Mortgage bank and to prevent and detect fraud and other irregularities;
- (b) The Mortgage Bank keeps accounting records which disclose with reasonable accuracy the financial position of the Mortgage Bank and which ensure that the financial statements comply with the requirements of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, Banks and Other Financial Institutions Act, CAP B3, [Laws of the Federation of Nigeria 2004, Revised Prudential Guidelines, Nigerian Accounting Standards and relevant Circulars issued by the Central Bank of Nigeria;
- (c) The Mortgage Bank has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, and that all applicable accounting standards have been followed; and
- (d) It is appropriate for the financial statements to be prepared on a going concern basis unless it is presumed that the Mortgage Bank will not continue in business.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in conformity with Statements of Accounting Standards, the requirements of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, Banks and other Financial Institutions Act, CAP B3, Laws of the Federation of Nigeria 2004, Revised Prudential Guidelines and relevant Circulars issued by the Central Bank of Nigeria.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Bank and of the financial performance for the year.

The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the financial statements, as well as adequate systems of the financial control.

Nothing has come to the attention of the Directors to indicate that the Mortgage Bank will not remain a going concern for at least twelve months from the date of this statement.

Signed on behalf of the Directors of 11 June 2012 by:

Peter Longe
Executive Director/CFO

Hassan T. M. Usman
Managing Director/CE

Mr. Olatunde John Ayeni
Chairman, Board of Directors

Report Of The Audit Committee To The Members Of ASO Savings & Loans Plc

In accordance with the provisions of Section 359(6) of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, the members of the Audit Committee of ASO Savings and Loans Plc hereby report as follows:

- We have exercised our statutory functions under Section 359(6) of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, and acknowledge the co-operation of management and staff in the conduct of these responsibilities.
- We are of the opinion that the accounting and reporting policies of the Mortgage Bank are in accordance with legal requirements and agreed ethical practices and that the scope and planning of the external audit for the year ended 31 March 2012 were satisfactory and reinforce the Mortgage Bank's internal control systems.
- The management complied with the provisions of Central Bank of Nigeria Circular BSD/2004 dated February 18, 2004 on "Disclosure of insider related credits in the financial statements of banks", and hereby confirms that an aggregated amount of N12.07 billion was outstanding as at 31 March 2012 of which N42.76 million was non-performing. See Note 36 for details.
- We reviewed the management letter of the external auditors and are satisfied with management response thereto.
- We have deliberated with the independent auditors, who have confirmed that necessary co-operation was received from management in the course of their statutory audit.



Ibrahim Oruma
Chairman, Audit Committee

11 June, 2012

Members of the Audit Committee:

1.	Ibrahim Oruma	Shareholders' representative (Chairman)
2.	Farouk Umar	Shareholders' representative
3.	El-Amin Bello	Shareholders' representative
4.	Collins Chikeluba	Directors' representative
5.	Tunde Ayeni	Directors' representative
6.	Joshua Maikori	Directors' representative



Report Of The Independent Joint Auditors To The Members Of ASO Savings & Loans Plc



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www.aminuibrahim.com

Report on the Financial Statements

We have audited the accompanying financial statements of ASO Savings & Loans Plc which comprise the balance sheet as at 31 March 2012 and the profit and loss account and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing, which require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Report Of The Independent Joint Auditors (Cont'd) To The Members Of ASO Savings & Loans Plc

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Aminu Ibrahim & Co

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of **ASO Savings & Loans Plc** as at 31 March 2012, and of its financial performance and its cash flows for the year then ended in accordance with relevant accounting standards issued by the Financial Reporting Council of Nigeria, relevant circulars issued by the Central Bank of Nigeria, Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 and the Banks and Other Financial Institutions Act, CAP B3 Laws of the Federation of Nigeria 2004

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004

In our opinion, proper books of account have been kept by the Mortgage Bank, so far as appears from our examination of those books and the Mortgage Bank's balance sheet and profit and loss account are in agreement with the books of account.

Compliance with Section 27(2) of the Banks and Other Financial Institutions Act, CAP B3 Laws of the Federation of Nigeria and Central Bank of Nigeria circular BSD/1/2004

- i. The Mortgage Bank contravened the provisions of Banks and Other Financial Institutions Act, CAP B3 Laws of the Federation of Nigeria 2004 Section 27(1) for not publishing its audited financial statements for the year ended 31 March 2011 in the daily newspaper printed and circulated in Nigeria within 4 months after year end.
- ii. Related party transactions and balances are disclosed in notes 36 and 40 to the financial statements in accordance with Central Bank of Nigeria Circular BSD/1/2004.

Compliance with Section 4.3 of the Revised Guidelines for Primary Mortgage Banks in Nigeria 2011.

We report that nothing has come to our attention to indicate that the Mortgage Bank will not remain in business for at least twelve months from the date of this report.

Lagos, Nigeria

Abuja, Nigeria

Statement Of Significant Accounting Policies For The Year Ended 31 March 2012

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented except as disclosed in the note (n) below.

a) Basis of accounting

The financial statements have been prepared under the historical cost convention and comply with the Statements of Accounting Standards issued by the Financial Reporting Council of Nigeria.

b) Fixed assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated on straight line basis to write-off the cost of assets over their estimated useful lives as follows:

	%
Building	5
Office furniture, fitting and equipment	20
Computer equipment	33.3
Motor vehicles	25
Plant machinery	20
Leased assets	As in related class of asset

No depreciation is provided on assets under construction. Gain or loss arising from the disposal of fixed assets is included in the profit and loss account.

c) Loans and advances

Loans and advances are carried at cost less allowance for impairment and are recognised when cash is advanced to borrowers. Loan impairment allowance is made in accordance with the Revised Guidelines for Primary Mortgage Banks in Nigeria 2011 issued by the Central Bank of Nigeria for each account that is not performing in accordance with the terms of the related facility as follows:

Mortgage loans:

Interest and/or Principal outstanding for over	Classification	Allowance
3 months but less than 6 months	Watchlist	1%
6 months but less than 1 year	Substandard	10%
1 year but less than 2 years	Doubtful	100% less 50% of the estimated net realizable value of security
2 years and over	Lost	100%

Statement Of Significant Accounting Policies (Cont'd)

For The Year Ended 31 March 2012

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Commercial real estate financing:

Interest and/or Principal outstanding for over	Classification	Allowance
6 months but less than 1 year and the past due is less than 40% of installment amount	Watchlist	1%
6 months but less than 1 year and the past due is more than 40% of installment amount	Substandard	25%
1 year but less than 2 years	Doubtful	50%
2 years but less than 3 years	Very doubtful	75%
3 years and over	Lost	100%

Other loans (neither mortgage nor real estate loans)

Interest and/or Principal outstanding for over	Classification	Allowance
3 months but less than 6 months	Substandard	10%
6 months but less than 1 year	Doubtful	50%
1 year and over	Lost	100%

Performing loans

In addition to the specific allowance on non-performing loans, a minimum allowance of 1% is made for all performing accounts to recognize losses in respect of risks inherent in the credit portfolio.

Interest in Suspense

Interest on non-performing loans is recognised to interest in suspense account. Interest suspended is recognised in profit and loss account on cash basis.

d) Income recognition

Interest, commission and other income are recognized when due and accounted for on accrual basis. Interest accruing on non-performing account is not earned but taken to interest in suspense until the debts are recovered.

e) Investments

Long-term investments are carried at cost. Where a permanent decline in value occurs, the carrying amount of the asset is reduced to recognise the loss.

Statement Of Significant Accounting Policies (Cont'd)

For The Year Ended 31 March 2012

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f) Treasury Bills

Short term investments in treasury bills held-to-maturity are presented at face value net of unearned income discount. Unearned discount is deferred and amortised as and when earned.

g) Foreign currency transactions

Transactions in foreign currencies are translated to the Naira at the rates of exchange ruling at the dates of the transactions. Foreign currency balances are converted to the Naira at the rate of exchange ruling at the balance sheet date and resultant profit and loss on exchange is taken to the profit and loss account.

h) Taxation

i. Current income tax

Income tax expenses/credits are recognized in the profit and loss account. Current income tax is the expected tax payable on the taxable income for the year, using statutory tax rates at the balance sheet date, and any adjustment to tax payable in respect of previous years.

ii. Deferred taxation

Deferred income tax is provided in full, using liability method, on all temporary timing differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred income tax is determined using rates that are expected to apply when the related deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that is probable that future taxable profits will be available against which the temporary differences can be utilised

i) Retirement benefits

Arrangements for retirement benefits for members of staff are based on the provisions of the National Pension Reform Act. The matching contribution by the Company is based on current basic salaries and designated allowances and it is charged to profit and loss account.

j) Off Balance Sheet transactions

Transactions to which there are no direct balance sheet risks to the Mortgage Bank are reported and accounted for as off balance sheet transactions and shown by way of notes to the financial statements.

k) Investment properties

Investment properties which are held for capital appreciation and subsequent disposal are measured initially at their cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at their valuation amount and revalued periodically on a systematic basis at least once in every three years. Investment properties are not subject to periodic charge for depreciation. An increase in the carrying amount arising from the revaluation of investment property is credited to the shareholders' fund as revaluation surplus.

Statement Of Significant Accounting Policies (Cont'd)

For The Year Ended 31 March 2012

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A permanent decline in the value of the investment is charged to the income statement while a reduction in the carrying amount of the investment is reversed when there is an increase, other than temporary, in the value of the investment, or if the reasons for the reduction no longer exist.

l) Other assets

Receivables and other sundry debit balances are classified as other assets and are stated at cost net of allowances for amounts doubtful of recovery. Prepayments are stated at cost less amortised amounts.

m) Segment reporting

A segment is a distinguishable component of the company that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The Mortgage Bank's activities are concentrated in one geographic region. The Mortgage Bank's primary format for segment reporting is based on business segments. The business segments are determined by management based on the Mortgage Bank's internal reporting structure. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

n) Intangible assets

Software acquired by the company is stated at cost less accumulated amortisation and accumulated impairment losses.

Expenditure on internally developed software is recognised as an asset when the company is able to demonstrate its intention and ability to complete the development and the use of the software in a manner that will generate future economic benefits, and can reliably measure the costs to complete the development. The capitalised costs of internally developed software include all costs directly attributable to developing the software, and are amortized over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment.



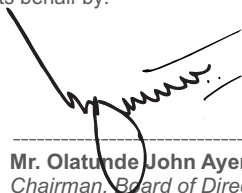
Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is recognised in profit or loss on a straight line basis over the estimated useful life of the software, from the date that is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life of software is 3 to 5 years.

Amortisation method, useful lives, and residual values are reviewed at each financial year-end and adjusted if appropriate.

Balance Sheet

As At 31 March 2012

	Note	31 March, 2012 N'000	31 March, 2011 N'000
ASSETS			
Cash in hand and balances with banks	2	2,633,827	7,390,474
Treasury bills	3	226,047	-
Placements with financial institutions	4	27,002,011	20,431,129
Long-term investments	6	77,555	155,110
Investment properties	7	10,177,235	9,762,157
Loans and advances	8	41,162,727	33,079,667
Other assets	9	2,970,319	4,358,317
Deferred tax asset	17	18,397	13,448
Fixed assets	10	1,924,396	1,714,553
Intangible assets	11	42,239	56,419
TOTAL ASSETS		86,234,753	76,961,274
LIABILITIES			
Customers' deposits	12	68,335,945	65,009,377
Due to other banks	13	6,000,000	-
Tax payable	14	305,912	343,232
Other liabilities	16	5,414,606	6,617,648
Long-term borrowings	18	3,040,540	1,982,565
		83,097,003	73,952,822
CAPITAL AND RESERVES			
Share capital	19	4,339,574	4,339,574
Other reserves	20	457,509	457,509
General reserve	21	(1,659,333)	(1,788,631)
SHAREHOLDERS' FUNDS		3,137,750	3,008,452
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		86,234,753	76,961,274
OFF BALANCE SHEET ITEMS	22	18,043,318	20,666,700
Total assets and contingencies		104,278,071	97,627,974
The financial statements were approved by the Board of Directors on 11 June 2012 and signed on its behalf by:			
<div>  Peter Longe <i>Executive Director/CFO</i> </div> <div>  Hassan T. M. Usman <i>Managing Director/CE</i> </div> <div>  Mr. Olatunde John Ayeni <i>Chairman, Board of Directors</i> </div>			
The accounting policies and the notes form an integral part of the financial statements.			

Profit And Loss Account

For The Year Ended 31 March 2012



	Note	31 March, 2012 N'000	31 March, 2011 N'000
Gross earnings		10,784,934	11,007,714
Interest and similar income	23	7,910,593	9,431,094
Interest and similar expense	24	(2,300,032)	(2,668,578)
Net interest income		5,610,561	6,762,516
Fees and Commissions	25a	1,184,689	1,075,997
Other income	25b	1,689,652	500,623
Operating income		8,484,902	8,339,136
Operating expenses	26	(5,376,382)	(4,458,183)
Interest on borrowings	24	(2,094,805)	(2,820,249)
Allowance for losses (charged)/written back	27	(713,034)	842,155
Profit before taxation		300,681	1,902,859
Information technology development levy	15	(3,007)	(19,029)
Taxation	14.1	(168,376)	(671,495)
Profit after taxation		129,298	1,212,335
Appropriations:			
Transfer to statutory reserve	20	-	-
Transfer to general reserve	21	129,298	1,212,335
		129,298	1,212,335
Earnings per share (kobo)			
-Basic	29	1	14
<i>The accounting policies and the notes form an integral part of the financial statements.</i>			

Statement Of Cash Flows

For The Year Ended 31 March 2012

	Note	31 March, 2012 N'000	31 March, 2011 N'000
Cash flows from operating activities			
Net cash flow from operating activities	30	3,429,470	26,594,895
Income tax paid	14	(229,675)	(472,172)
Net cash flow from operating activities		3,199,795	26,122,723
Cash flows from investing activities			
Purchase of investment properties	7	(6,434,566)	(8,629,013)
Purchase of fixed and intangible assets	10 & 11	(656,971)	(855,431)
Proceeds on sale of investment properties		6,927,507	-
Proceeds on sale of fixed assets		27,630	7,548
Net cash used in investing activities		(136,400)	(9,476,896)
Cash flows from financing activities			
Long term loan repayments		(517,991)	(6,152,291)
Interest on long term borrowing		(2,094,805)	(2,820,249)
Inflow from long-term borrowing		1,589,682	342,566
Net cashflow used in financing activities		(1,023,114)	(8,629,974)
Net increase in cash and cash equivalents		2,040,281	8,015,852
Cash and cash equivalents at beginning of year		27,821,603	19,805,751
Cash and cash equivalents at 31 March	5	29,861,884	27,821,603
<i>The accounting policies and the notes form an integral part of the financial statements.</i>			



Notes To The Financial Statements

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1. General information			
(a) The mortgage bank			
ASO Savings & Loans Plc was incorporated on 9 November 1995 as a Private Limited Liability Company in accordance with the provisions of the Companies and Allied Matters Act, 1990. It was licensed to operate as a Mortgage Institution in December 1996 and commenced operations in January 1997. It converted to a Public Limited Company on 22 September 2005 and its shares were listed in the Nigerian Stock Exchange on 25 April 2008.			
		31 March, 2012 N'000	31 March, 2011 N'000
2. Cash in hand and balances with banks			
Cash in hand		300,048	641,233
Balance with Federal Mortgage Bank of Nigeria		1,119	1,119
Balances with other banks in Nigeria		2,429,337	6,831,419
		2,730,504	7,473,771
Allowance for doubtful bank balances (note 42)		(96,677)	(83,297)
		2,633,827	7,390,474
3. Treasury bills			
Net value at 31 March		226,047	-
The original cost of the treasury bills as at 31 March 2012 was N230,000,000.			
4. Placements with financial institutions			
Term placements with banks in Nigeria		27,002,011	20,431,129
5. Cash and cash equivalents			
Cash in hand and balances with banks (note 2)		2,633,827	7,390,475
Treasury bills (note 3)		226,047	-
Placements (note 4)		27,002,011	20,431,129
		29,861,884	27,821,604
6. Long term investments			
		Holding	
Associates	%		
ASO Insurance Brokers Limited	20	2,760	2,760
Abuja Leasing Company Limited	22	155,110	155,110
		157,870	157,870
Less allowance for impairment of investments (note 42)		(80,315)	(2,760)
		77,555	155,110

Notes To The Financial Statements (Cont'd)

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	31 March, 2012 N'000	31 March, 2011 N'000
7. Investment properties		
At 1 April	9,762,157	662,500
Transfer from fixed assets	-	470,644
Additions during the year	6,434,566	8,629,013
Disposals during the year	(6,019,488)	-
	10,177,235	9,762,157
Revaluation gain (note 7.1)	3,910,692	3,389,005
Revaluation gain discounted (note 7.2)	(3,910,692)	(3,389,005)
At 31 March	10,177,235	9,762,157
7.1	<p>In accordance with the requirements of the Statement of Accounting Standard no 13, the valuation of investment properties was carried out by Kelvin Nwonu & Co, a firm of estate surveyors and valuers, on various dates in the accounting year ended 31 March 2012 and have a cumulative market value of N14.088 billion (2011: N13.15 billion). The assumptions employed by the valuers are as follows:</p> <ul style="list-style-type: none"> - That the information with which they have been supplied is correct - That the title is good and marketable - That the properties are not adversely affected by, or subject to compulsory acquisition or development planning <p>The basis of their valuation is open market basis and the methods of valuation are the comparison and the depreciated cost methods in the valuation of these properties</p>	
7.2	<p>The revaluation gain of N3.911 billion (2011: N3.389 billion) was fully discounted in the financial statements based on a specific prudential directive of the Central Bank of Nigeria.</p>	
	31 March, 2012 N'000	31 March, 2011 N'000
8. Loans and advances		
8.1 Analysis of loans and advances by nature		
Mortgage loans	9,607,427	7,932,768
Commercial real estate financing	27,292,196	29,571,233
Others	9,841,606	1,033,479
Gross Loans	46,741,229	38,537,480
Allowance for doubtful accounts		
- General	(358,097)	(294,826)
- Specific	(4,248,416)	(4,148,841)
- Interest in suspense	(971,989)	(1,014,146)
Total allowance on loans (note 42)	(5,578,502)	(5,457,813)
Net Loans	41,162,727	33,079,667

Notes To The Financial Statements (Cont'd)

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					31 March, 2012 N'000	31 March, 2011 N'000			
8.2 Analysis of loans and advances by security:									
Secured against real estate					36,899,623	25,570,014			
Otherwise secured					9,841,606	12,967,466			
Gross loans					46,741,229	38,537,480			
<div>← 31 March 2012 → ← 31 March 2011 →</div>									
	Gross Loans N'000	Principal allowance N'000	Interest in suspense N'000	Total allowance N'000	Gross Loans N'000	Principal allowance N'000	Interest in suspense N'000	Total allowance N'000	
8.3 Non-performing:									
Watch list	4,637,071	42,420	395,119	437,539	1,619,627	-	214,759	214,759	
Substandard	1,413,231	148,991	81,061	230,052	2,572,769	237,333	199,434	436,767	
Doubtful	745,351	322,508	100,336	422,844	862,580	350,990	160,603	511,593	
Very doubtful	26,979	17,853	3,175	21,028	-	-	-	-	
Lost	4,108,942	3,716,644	392,298	4,108,942	3,999,868	3,560,518	439,350	3,999,868	
	10,931,574	4,248,416	971,989	5,220,405	9,054,844	4,148,841	1,014,146	5,162,987	
Performing	35,809,655	358,097	-	358,097	29,482,636	294,826	-	294,826	
	46,741,229	4,606,513	971,989	5,578,502	38,537,480	4,443,667	1,014,146	5,457,813	

Notes To The Financial Statements (Cont'd)

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		31 March, 2012 N'000	31 March, 2011 N'000		
8.4 Maturity profile of loans and advances					
Under 1 month		7,951,162	7,342,617		
1 – 3 months		934,295	1,969,434		
3 – 6 months		354,172	3,009,887		
6 – 12 months		3,319,117	1,821,051		
Over 12 months		34,182,483	24,394,491		
		46,741,229	38,537,480		
8.5 Insider-related credits					
Aggregate amount of insider related credits					
Outstanding at year-end		12,065,040	11,298,631		
Non performing (note 36)		42,764	213,406		
The details of non-performing insider related credits are analysed in note 36 of these financial statements in conformity with the Central Bank of Nigeria Circular BSD/1/2004.					
8.6 Classification of loans and advances by performance					
	Mortgage financing March 2012 N'000	Commercial real estate financing March 2012 N'000	Other Loans March 2012 N'000	Total March 2012 N'000	Total March 2011 N'000
Performing	7,900,820	23,273,227	4,635,608	35,809,655	29,482,635
Watchlist	1,070,065	3,567,006	-	4,637,071	1,619,627
Sub-standard	99,520	158,539	1,155,172	1,413,231	2,572,769
Doubtful	193,168	200,707	351,476	745,351	862,580
Very doubtful	-	26,979	-	26,979	-
Lost	181,081	246,216	3,681,645	4,108,942	3,763,535
Margin financing	-	-	-	-	236,334
	9,444,654	27,472,674	9,823,901	46,741,229	38,537,480

Notes To The Financial Statements (Cont'd)

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	31 March, 2012 N'000	31 March, 2011 N'000
9. Other assets		
Interest receivable on placements	104,282	40,675
Prepayments (note 9.4)	645,703	721,873
Deposit for land (note 9.1)	-	1,469,106
Due from ASO Investment Development Company Ltd	301,160	276,229
Inventories	27,383	43,484
Accounts receivable clearing house	61,747	139,715
Bank balances in dispute (note 9.2)	-	2,178,396
Non-performing assets (note 9.3)	2,884,276	246,628
Other accounts receivable	1,830,044	1,667,235
	5,854,595	6,783,341
Allowance for non-performing assets and bank Balances in dispute (note 42)	(2,884,276)	(2,425,024)
	2,970,319	4,358,317
9.1 The deposit for land has been transferred to investment properties in this financial statement following the finalisation of documentation with Federal Capital Territory.		
9.2 The outstanding sum of N1.739 billion not yet recovered on bank balances in dispute has been reclassified to non-performing assets in these financial statements.		
9.3 Non-performing assets represent assets that are doubtful of recovery.		
	31 March, 2012 N'000	31 March, 2011 N'000
9.4 The analysis of maturity of prepayments is as follows:		
Under one year	400,438	453,873
Over one year	245,265	268,000
	645,703	721,873

Notes To The Financial Statements (Cont'd)

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10. Fixed assets								
	Land and Buildings N'000	Plants & Machinery N'000	Furniture & Fittings N'000	Computer Hardware N'000	Motor Vehicles N'000	Leased Assets N'000	Work in progress N'000	Total N'000
Cost:								
At 1 April 2011	998,111	94,681	573,663	408,198	541,096	56,861	-	2,672,610
Additions during the year	125,121	16,057	48,450	75,265	237,258	-	124,633	626,784
Disposal during the year	-	(2,450)	-	(542)	(75,009)	-	-	(78,001)
At 31 March 2012	1,123,232	108,288	622,113	482,921	703,345	56,861	124,633	3,221,393
Depreciation:								
At 1 April 2011	77,347	41,095	252,645	292,153	240,161	54,656	-	958,057
Charge during the year	15,637	19,914	116,326	79,194	155,412	2,205	-	388,688
Disposals during the year	-	(1,772)	-	(204)	(47,772)	-	-	(49,748)
At 31 March 2012	92,984	59,237	368,971	371,143	347,801	56,861	-	1,296,997
Net Book Value:								
At 31 March 2012	1,030,248	49,051	253,142	111,778	355,544	0	124,633	1,924,396
At 31 March 2011								
As restated (See Note 34)	920,764	53,586	321,018	116,045	300,935	2,205	-	1,714,553

Notes To The Financial Statements (Cont'd)

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10.1 Leased Assets					
	Plants & Machinery N'000	Furniture & Fittings N'000	Computer Hardware N'000	Motor Vehicles N'000	Total N'000
Cost:					
At 1 April 2011	8,700	5,382	8,874	33,905	56,861
At 31 March 2012	8,700	5,382	8,874	33,905	56,861
Depreciation:					
At 1 April 2011	6,978	4,899	8,874	33,905	54,656
Charge during the year	1,722	483	-	-	2,205
At 31 March 2012	8,700	5,382	8,874	33,905	56,861
Net book value:					
At 31 March 2012	-	-	-	-	-
At 31 March 2011	1,722	483	-	-	2,205
11. Intangible Assets					
<p>The company adopted Statement of Accounting Standards 31: On Intangible Assets, which became operative for financial statements covering periods beginning on or after 1 January 2011. As a result, the carrying amount of its acquired software, which does not form part of a related hardware and previously classified as part of Computer Hardware, was reclassified to intangible assets. The movement on intangible asset account during the year was as follows:</p>					
	31 March, 2012 N'000		31 March, 2011 N'000		
Computer software					
Cost:					
At 1 April	438,988				
Additions during the year	30,187				
At 31 March	469,175				
Accumulated Amortisation:					
At 1 April	382,569				
Charge for the year	44,367				
At 31 March	426,936				
Net book value:					
At 31 March 2012	42,239				
At 31 March 2011	56,419				

Notes To The Financial Statements (Cont'd)

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	31 March, 2012 N'000	31 March, 2011 N'000
12. Customers' deposits		
12.1 Summary		
Term	16,409,512	16,622,363
Demand	47,911,495	45,335,821
Savings	4,014,938	3,051,193
	68,335,945	65,009,377
12.2 The maturity profile of deposit liabilities is as follows:		
Under 1 month	19,896,873	22,802,839
1-3 months	17,885,196	15,494,534
3-6 months	11,200,532	9,837,835
6-12 months	10,328,292	8,817,096
Over 12 months	9,025,052	8,057,073
	68,335,945	65,009,377
13. Due to other banks		
Short-term loan	6,000,000	-
This is a facility obtained from a commercial bank that has a tenor of less than one year. The loan is secured by a placement with the commercial bank		
14. Tax payable		
14.1 Per profit and loss account:		
Company income tax	153,225	105,012
Education tax	20,100	58,037
Based on profit for the year	173,325	163,049
Under provision in prior years	-	472,172
Deferred tax (credit)/charge (note 17)	(4,949)	36,274
At 31 March	168,376	671,495
14.2 Per balance sheet		
At 1 April	343,232	180,183
Based on the profit for the year	173,325	163,049
Under provision for prior year	-	472,172
Payments during the year	(210,645)	(472,172)
At 31 March	305,912	343,232

Notes To The Financial Statements (Cont'd)

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	31 March, 2012 N'000	31 March, 2011 N'000
14.3 The charge for taxation in these financial statements is based on the provisions of the Companies Income Tax Act. The charge for education tax is based on the provisions of the Education Tax Act.		
15. Information technology levy		
15.1 Based on the profit for the year	3,007	19,029
Per profit and loss account	3,007	19,029
Balance at 1 April	19,029	-
Payments during the year	(19,029)	-
At 31 March (note 16)	3,007	19,029
15.2 The Nigerian Information Technology Development Agency (NITDA) Act 2007 stipulates that, specified companies contribute 1% of their profit before taxation to the Nigerian Information Technology Development Agency. In line with the Act, the Mortgage Bank has provided for NITDA levy at the specified rate.		
16. Other liabilities		
Accrued expenses	27,500	56,427
Account payable	1,533,648	4,745,168
Pension payable (note 16.1)	31,000	21,146
Provision for gratuity (note 16.2)	253,210	175,574
Interest payable	167,113	122,664
NITDA levy payable (note 15)	3,007	19,029
Due on refinanced SOFGH loans	1,727,784	871,201
Managers' cheques	342,858	290,235
Sales of FGN instruments not yet presented	143,245	174,444
Uncleared effects	61,747	141,760
Deposit for shares	1,123,493	-
	5,414,606	6,617,648
16.1 Pension payable		
At 1 April	21,146	17,515
Deductions in the year	81,276	62,634
Remittance in the year	(71,422)	(59,003)
At 31 March	31,000	21,146
This outstanding balance relates to amount payable to Pension Fund Administrators of which Personal Identification Number (PIN) of affected employees has not been presented to effect the remittance.		

Notes To The Financial Statements (Cont'd)

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	31 March, 2012 N'000	31 March, 2011 N'000
16.2 Provision for gratuity		
At 1 April	175,574	98,054
Charge to profit and loss account	95,117	115,610
Payments in the year	(17,481)	(38,090)
At 31 March	253,210	175,574
17. Deferred tax asset		
At 1 April	13,448	49,722
Addition/(reversal) during the year	4,949	(36,274)
At 31 March	18,397	13,448
Provision have been made in these financial statements for deferred taxation in accordance with the Statement of Accounting Standard 19: On Deferred Taxation.		
18. Long-term borrowings		
Federal Mortgage Bank of Nigeria (note 18.1)	818,010	728,328
Access bank – guarantee proceeds of \$5million loan from Shelter Afrique Limited (note 18.2)	722,530	1,079,137
Loans from commercial banks in Nigeria (note 18.3)	1,500,000	175,100
	3,040,540	1,982,565
18.1 This represents funds obtained from Federal Mortgage Bank and disbursed to beneficiaries of National Housing Fund (NHF). Interest rate is 4%, interest and principal are payable monthly.		
18.2 Shelter Afrique Centre is an organisation based in Nairobi, Kenya, that provides funding for development of residential houses for low – medium income earners at affordable rates. The Shelter Afrique loan is repayable over 5 years from 2009. Interest rate is 9.5% and payable quarterly. Access Bank Plc granted a credit facility of 100% of the guarantee proceeds, while the guarantee fund was blocked in an interest bearing account.		
18.3 These are various facilities from commercial banks in Nigeria to refinance purchase and construction of real estates in Abuja and other major cities in Nigeria. The facilities have various interest rates and tenor that are not less than one year.		
19. Share capital		
19.1 Authorised:		
10,000,000,000 ordinary shares of 50k each	5,000,000	5,000,000
19.2 Issued, called up and fully paid:		
8,678,749,000 ordinary shares of 50k each	4,339,574	4,339,574

Notes To The Financial Statements (Cont'd)

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	31 March, 2012 N'000	31 March, 2011 N'000
20. Other reserves		
Statutory reserve (note 20.1)	457,509	457,509
Revaluation surplus (note 20.2)	-	-
	457,509	457,509
20.1 Statutory reserve		
At 1 April	457,509	457,509
Appropriation from the profit and loss account	-	-
At 31 March	457,509	457,509
No transfer was made to statutory reserve during the year in compliance with Section 11 (c) of the Guidelines to Primary Mortgage Institutions.		
20.2 Revaluation surplus		
Arising during the year	3,910,692	3,389,005
Discounted value (note 7.2)	(3,910,692)	(3,389,005)
At 31 March	-	-
21. General reserve		
At 1 April	(1,788,631)	(3,000,966)
Retained profit for the year	129,298	1,212,335
At 31 March	(1,659,333)	(1,788,631)
22. Off balance sheet items		
Refinanced loans (note 22.1)	17,602,930	19,113,723
Bank Guarantee	4,506	739,393
Advance Payment Guarantee	435,882	813,584
	18,043,318	20,666,700
22.1	ASO Savings and Loans Plc entered into a quadripartite Mortgage Sales and Purchase Agreement in year 2007 with FMBN SPV Mortgages Trustees Limited, First Trustees Nigeria Limited and FMBN SPV Funding Limited, to assign all its rights, title and interest in certain mortgage loans given during the sale of Federal Government houses exercise to FMBN SPV Mortgages Trustees Limited at a consideration of full value of the loans at the transfer date. FMBN SPV Mortgages Trustees Limited appointed ASO Savings and Loans Plc as the Administrator of the loans for a fixed fee.	
23. Interest and similar income		
a.	This is analysed by source and income type as follows:	
Bank sources:		
- Interest on interbank placements	1,441,742	1,104,980
Non-Bank sources:		
- Interest on loans and advances	6,468,851	8,326,114
	7,910,593	9,431,094

Notes To The Financial Statements (Cont'd)

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	31 March, 2012 N'000	31 March, 2011 N'000
b. Geographical location:		
Earned in Nigeria	7,910,593	9,431,094
24. Interest and similar expenses		
a. Interest expense comprises:		
Bank sources:		
-Interest on long-term borrowing	2,094,805	2,820,249
Non-Bank sources:		
-Demand	1,526,908	1,994,072
-Time deposits	731,952	621,859
-Savings	38,833	50,471
-Interbank takings	2,339	2,176
	2,300,032	2,668,578
b. Geographical location:		
Paid in Nigeria	4,394,837	5,488,827
25a. Fees and Commissions		
Commission on turnover	373,932	310,807
Loans management fees	731,435	602,727
Administrative and processing charges	79,322	162,463
	1,184,689	1,075,997
25b. Other income		
Profit on sales of fixed asset	-	5,549
Recoveries	690,007	3,000
Income from real estate transactions	863,199	128,490
Miscellaneous income	131,564	359,932
Other operating income	4,882	3,652
	1,689,652	500,623
26. Operating expenses		
26.1 Summary:		
Staff and other related costs	1,627,531	1,283,684
Staff pension and gratuities	135,978	115,610
Directors' emolument	31,955	24,970
Transaction loss	-	20,100
Other operating expenses	3,147,863	2,536,181
	4,943,327	3,980,545
Depreciation and amortisation of assets	433,055	477,638
	5,376,382	4,458,183

Notes To The Financial Statements (Cont'd)

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	31 March, 2012 N'000	31 March, 2011 N'000
27. Allowance for risk assets for the year charged/(written back) to profit and loss account		
Loans and advances		
-General (note 42)	40,690	294,826
-Specific (note 42)	122,156	(1,144,841)
Bank balances (note 42)	13,381	83,297
Investments (note 42)	77,555	-
Other assets (note 42)	459,252	(75,437)
	713,034	842,155
28. Profit before taxation		
This is stated after charging/(crediting) :		
Directors' emoluments	31,955	24,970
Depreciation on fixed assets	388,688	437,424
Amortisation of intangible assets	44,367	40,214
Loss / (gain) on disposal of fixed assets	620	(5,549)
Auditors remuneration	25,000	18,750
Pension and gratuity	135,978	115,610
29. Earnings per share (Basic)		
Earnings per share are calculated based on the profit after taxation and the number of ordinary shares issued and paid up at 31 March each year		
Profit for the year attributable to shareholders (N'000)	129,298	1,212,338
Weighted average number of ordinary share (in thousand)	8,679,148	8,679,148
Earnings per share (Kobo) – basic	1	14

Notes To The Financial Statements (Cont'd)

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	31 March, 2012 N'000	31 March, 2011 N'000
30. Cash generated / (utilised) from operation		
<i>Reconciliation of profit before taxation to net cash provided by operating activities</i>		
Profit before taxation	300,681	1,902,859
<i>Adjustments to reconcile profit before taxation to net cash provided by operating activities</i>		
Depreciation of fixed assets	388,688	437,426
Amortisation of intangible assets	44,367	40,212
Interest on long-term borrowing	2,094,805	2,820,249
Foreign exchange gain	(2,006)	-
Profit on sale of investment property	(729,566)	-
Loss/(gain) on disposal of fixed assets	620	(5,549)
Allowance for impairment of investment	(77,555)	-
Allowance for bad and doubtful loans and interest in suspense	120,690	(1,075,224)
Allowance on other assets	459,252	2,102,959
Changes in operating assets and liabilities		
(Increase) / decrease in loans and advances	(8,203,749)	544,338
Decrease in other assets	928,746	1,278,976
(Increase) / decrease in due to other banks	6,000,000	(5,600,000)
Increase in deposit and other current accounts	3,326,568	19,892,212
(Decrease) / increase in other liabilities	(1,222,071)	4,256,437
Net cash flow provided by operating activities	3,429,470	26,594,895

Notes To The Financial Statements (Cont'd)

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		31 March, 2012 N'000	31 March, 2011 N'000	
31. Emolument of Directors				
31.1	Directors remuneration excluding pension contributions and certain benefits was provided as follows:			
	Fees as directors	16,500	13,600	
	Other allowances	14,955	11,370	
	Directors' emoluments	31,455	24,970	
	Executive compensation	24,750	23 760	
		56,205	48,730	
	Fees and other emoluments disclosed above include amount paid to:			
	Chairman	4,500	4,000	
	Highest paid director	6,250	6,000	
31.2	The table below shows the number of Directors of the Mortgage Bank (excluding the Chairman) whose remuneration (excluding pension contributions) in respect of services to the bank fell within the ranges shown below.			
	N	N	Number	Number
	2,000,001	– 4,000,000	4	4
	Above	4,000,000	5	5
	Number of directors who had no emoluments		0	0
32. Employees				
32.1	Employees remunerated at higher rates:			
	The number of employees excluding directors in receipt of emoluments excluding allowances and pension contributions within the following ranges were:			
	N	N	Number	Number
	Below	- 300,000	185	200
	300,001	- 500,000	27	263
	500,001	- 1,000,000	375	131
	1,000,001	- 1,500,000	79	0
	1,500,001	- 2,500,000	19	27
	2,500,001	- 3,500,000	2	5
	3,500,001	- 4,500,000	10	9
			697	635
32.2	The average number of persons employed (excluding Directors) in the Bank during the year as follows:		697	635

Notes To The Financial Statements (Cont'd)

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	31 March, 2012 N'000	31 March, 2011 N'000
32.3 The related staff costs were:		
Staff costs	1,627,531	1,283,684
Staff pension and gratuities	135,978	115,610
	1,763,509	1,399,294
33. Guarantees and other financial commitments		
33.1 Capital commitments:		
Capital expenditure authorised by the Directors but not provided for in these		
financial statements are as follows:		
Contracted	nil	nil
Not contracted	nil	nil
33.2 The Directors are of the opinion that all known liabilities and commitments which are relevant in the assessment of the state of financial affairs of the Bank have been taken into consideration in the preparation of these financial statements.		
34. Claims and litigations		
There were contingent liabilities in respect of claims and litigation against the Bank as at 31 March 2012 amounting to N482,200,000 (March 2011: N2,376,050,816). These claims arose in the normal course of business and are being contested by the Bank. However, the Directors are of the opinion that none of the cases is likely to have material adverse effect on the Bank.		
35. Comparative figures reclassification		
Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year as disclosed below:		
<i>Reclassification of Fixed Assets prior year comparative</i>		
This is the first set of financial statements after the implementation of the Statement of Accounting Standards number 31: On Intangible Assets, which became effective for annual periods beginning on or after 1 January 2011. The implementation of the accounting policy resulted to a reclassification of computer software from Fixed Assets (Note 10). The impact of this is shown below:		
		31 March, 2011 N'000
<i>Cost:</i>		
Opening balance as previously stated		3,111,598
Reclassification to intangible assets		(438,988)
Opening balance as re-stated		2,672,610
<i>Accumulated Depreciation:</i>		
Opening balance as previously stated		1,340,626
Reclassification to intangible assets		(382,569)
Opening balance as re-stated		958,057
<i>Net Book Value:</i>		
Opening balance as previously stated		1,770,972
Opening balance as re-stated		1,714,553

Notes To The Financial Statements (Cont'd)

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36. Details of insider-related credits as at 31 March 2012

The total outstanding balance of insider related credits as at 31 March 2012 was N12.07 billion (2011: N11.2 billion) out of which facilities having outstanding balance of N42.764 million (2011: N213 million) were classified as non-performing. The detail of non-performing facilities are:

Name of borrower	Balance at 31/03/2012 N'000	Interest Rate	Total Allowance N'000	Relationship to Institution	Security
Akin-Adaramola Charles	7,369	26	7,369	Ex-Director	Real estate
Akin-Adaramola Charles	13,930	26	13,930	Ex-Director	Real estate
Jibrin Muhammed Barde	3,070	4	427	Ex-Director	Real estate
Tijjani Mohammed Abdullahi	1,378	26	689	Ex-Director	Otherwise
Miri Godfrey O.S.	5,542	26	5,542	Ex-Director	Otherwise
Ecosense Ventures Ltd	9,331	26	9,331	Ex-Director's company	Nil
Stereb (Nig.) Ltd	2,144	26	2,144	Ex-Director's company	Nil
	42,764		39,432		

37. Contraventions

The bank contravened the provisions of Banks and Other Financial Institutions Act, CAP B3 Laws of the Federation of Nigeria 2004 Section 27 (1) for not publishing its audited financial statements for the year ended 31 March 2011 in the daily newspaper printed and circulated in Nigeria within 4 months after its year end. The penalty paid was N140,000

38. Post balance sheet events

There are no significant post balance sheet events which could have had a material effect on the state of affairs of the Bank as at 31 March, 2012 and on the profit for the year ended on that date which have not been adequately provided for or disclosed.

39. Sections 355 (8) and (9) of the Companies and Allied Matters Act, Cap C20 Laws of the Federation of Nigeria 2004

In accordance with banking traditions, the assets and liabilities have been shown in decreasing order of liquidity and without sub-classifications as between fixed and current assets unlike the formats applied by the Act. Subject to the forgoing, the format used gives the information required by the Act substantially in accordance therewith.

40. Related Party Transactions

Transactions between the bank and its related companies during the period were conducted at arm's length.

41. Frauds and Forgeries

During the financial year, a total fraud of N17,629,200 (2011: N964,990) was recorded of which N456,200 (2011: N930,990) was recovered and nil (2011: N34,000) was unsuccessful.



Notes To The Financial Statements (Cont'd)

42. Summary of Movements on Allowance for Risk Assets

	Loans & Advances N'000	Other Assets N'000	Cash & Bank N'000	Long term Investments N'000	31 March 2012 N'000	31 March 2011 N'000
Allowances:						
At 1 April	4,443,667	2,425,024	83,296	2,760	6,954,747	6,237,784
Additional allowance for the year	162,846	1,130,165	83,175	77,555	1,453,741	1,087,628
No longer required	-	(670,913)	(69,794)	-	(740,707)	(1,929,783)
Charge/(write back) for the year (note 26)	162,846	459,252	13,381	77,555	713,034	(842,155)
At 31 March	4,606,513	2,884,276	96,677	80,315	7,667,781	5,395,629
Interest in suspense:						
At 1 April	1,014,146	-	-	-	1,014,146	1,269,345
(Writeback) / arising during the year	(42,157)	-	-	-	(42,157)	(255,199)
At 31 March	971,989	-	-	-	971,989	1,014,146
Total as at 31 March	5,578,502	2,884,276	96,677	80,315	8,639,770	6,409,775

43. Segment reporting

The Mortgage Bank's primary geographical segment is Nigeria as all its income is derived in Nigeria.

Additionally, all of the Mortgage Bank's income comprises income from interest and investments. Accordingly, no further business or geographical segments information is reported.

44. Approval by the Board

The financial statements were approved by the Board of Directors of the Bank on 11 June 2012

Statement Of Value Added For The Year Ended 31 March 2012



	31 March, 2012 N'000	%	31 March, 2011 N'000	%
-Gross earnings	10,784,934		11,007,714	
-Interest expense	(2,300,032)		(2,668,578)	
	8,484,902		8,339,136	
Administrative and other expenses – Local	(3,179,816)		(2,581,251)	
allowance for doubtful debts	(713,034)		842,155	
VALUE ADDED	4,592,052	100	6,600,040	100
DISTRIBUTED AS FOLLOWS:				
In payment to employees:				
-Salaries, wages and other allowances	1,763,510	38	1,399,294	21
In payment to Government:				
-Income tax	173,325	4	635,221	10
-Information Technology Levy	3,007	-	19,029	0
In payment to providers of funds:				
-Interest on borrowing	2,094,805	46	2,820,249	43
Retained for future replacement of assets and expansion of business:				
-Depreciation and amortisation	433,056	9	477,638	7
-Deferred taxation	(4,949)	-	36,274	1
-Retained profit	129,298		1,212,335	18
	4,592,052	100	6,600,040	100

Value added represents the additional wealth which the Bank has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth among employees, shareholders, government and that retained for future creation of more wealth.

Five-Year Financial Summary

	31 March, 2012 N'000	31 March, 2011 N'000	31 March, 2010 N'000	31 March, 2009 N'000	31 March, 2008 N'000
ASSETS					
Cash in hand and balances with banks	2,633,827	7,390,474	4,160,020	8,107,094	9,120,775
Placements and treasury bills	27,228,58	20,431,129	15,645,730	15,241,136	26,271,422
Long-term investments	77,555	155,110	155,110	157,870	157,870
Investments properties	10,177,235	9,762,157	662,500	-	-
Loans and advances	41,162,727	33,079,667	32,548,781	36,033,261	29,893,700
Other assets	2,970,319	4,358,317	7,740,251	1,955,828	1,040,555
Deferred taxation (asset)	18,397	13,448	49,722	19,345	-
Fixed assets	1,924,396	1,714,553	1,865,822	1,272,388	793,819
Intangible assets	42,239	56,419	-	-	-
TOTAL ASSETS	86,234,753	76,961,274	62,827,937	62,786,922	67,278,141
LIABILITIES					
Deposit and current accounts	68,335,945	65,009,377	45,117,165	48,807,519	45,298,764
Due to other banks	6,000,000	0	5,600,000	620,000	7,722,294
Tax payable	305,912	343,232	180,184	470,171	189,289
Other liabilities	5,414,606	6,617,648	2,342,181	2,716,652	4,643,897
Deferred taxation	-	-	-	-	80,927
Long-term borrowing	3,040,540	1,982,565	7,792,290	4,695,047	4,304,961
	83,097,003	73,952,822	61,031,820	57,309,389	62,240,132
Shareholders fund	3,137,750	3,008,452	1,796,117	5,477,533	5,038,009
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	86,234,753	76,961,274	62,827,937	62,786,922	67,278,141
Off balance sheet	18,043,318	20,666,700	22,878,719	22,693,383	21,866,997
12 months ended					
	N'000	N'000	N'000	N'000	N'000
Gross Earnings	10,784,934	11,007,714	10,012,836	10,090,144	7,063,135
Profit/(loss) before taxation	300,681	1,902,859	(3,127,809)	1,136,809	1,331,982
Profit/(loss) after taxation	129,298	1,212,335	(3,247,459)	873,481	1,061,766
Earnings/(loss) per share					
-Basic (Kobo)	1	14	(37)	10	34
Net assets per share					
-Actual (kobo)	36	35	20	63	58

Note:

Earnings / (loss) per share (basic) are based on profit after taxation and the number of issued ordinary shares at the end of each year.
Net assets per share are based on the number of issued share capital at the end of each year.



SHAREHOLDERS INFORMATION UPDATE FORM

Please complete this form and send to **First Registrars Nigeria Limited**, Plot 2 Abebe Village Road, Iganmu, Lagos; No 3 Jos Street, Opposite Sharon Ultimate Hotel, Area 3, Garki, Abuja or **ASO SAVINGS AND LOANS PLC**, Plot 266, Cadastral Zone AO, Central Business District, Abuja.

Name:

RC number (Corporate Organizations Only):

Number of shares held at 50k each:

Email Address:

Telephone No(s):

Address:

Mailing Address (If different from the above):

Next of kin:

Bankers:

Account Number:

Shareholders Signature 1. (Single Shareholder)

2. (Joint/Corporate Account)

Note: if the shareholder is a corporate one, kindly impress company's seal or stamp



Proxy Form

Thursday, 16th August, 2012

14th Annual General Meeting to be held on Thursday, 16th of August 2012 at Ladi Kwali Hall, Sheraton Hotel and Towers, Zone 4, Wuse, Abuja, FCT

I/We

Being a member(s) of ASO SAVINGS AND LOANS PLC hereby appoint

or failing him, The Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 16th of August, 2012

Dated this day of 20

.....
Shareholder's Signature

Please indicate with **X** in the appropriate space how you wish your vote to be cast on the resolutions set out below

	RESOLUTIONS	FOR	AGAINST
1.	To receive and consider the Financial Statements for the year ended March 31, 2012		
2.	To ratify the appointment of Directors		
3.	To re-elect Directors		
4.	To approve the remuneration of Directors		
5.	To authorise the Directors to fix the remuneration of the Joint Auditors		
6.	To elect members of the Audit Committee		
7.	To amend the memorandum and Articles of Associations to reflect the current share capital of the company		

NOTE:

A member (Shareholder) who is unable to attend the Annual General Meeting is allowed to vote by proxy. The above has been prepared to enable you to exercise your right to vote in case you cannot personally attend the meeting.

Provision has been made on this form for the Chairman of the meeting to act as your proxy, but if you wish you may insert in the blank space on the form (marked) the name of any person whether a member of the Company or not who will attend the meeting and vote on your behalf instead of the Chairman of the meeting.

Please sign the proxy form if you are not attending and have it delivered at number Plot 266 FMBN Building, Central Business District, Abuja not less than 48 hours before the time of holding the Annual General meeting.

If the shareholder is a Corporate body the proxy form should be sealed with a common seal.

----- Before posting the above form tear off this card and retain it. -----

ADMISSION CARD:

ASO SAVINGS AND LOANS PLC
14TH ANNUAL GENERAL MEETING

Please admit only the shareholder named on this card or duly appointed proxy to the 14th Annual General Meeting holding on Thursday, 16th of August, 2012 at Ladi Kwali Hall, Sheraton Hotel and Towers, Zone 4, Wuse, Abuja, FCT by 10am.

Shareholder's Proxy Name:

Address:

.....

.....

Signature of person attending:

www.asopl.com

ASO SAVINGS AND LOANS PLC.

Plot 266, FMBN Building, Cadastral Zone AO,
Central Business District, Abuja - Nigeria.
Tel: +234-9-4611587, Fax: +234-9-4611589