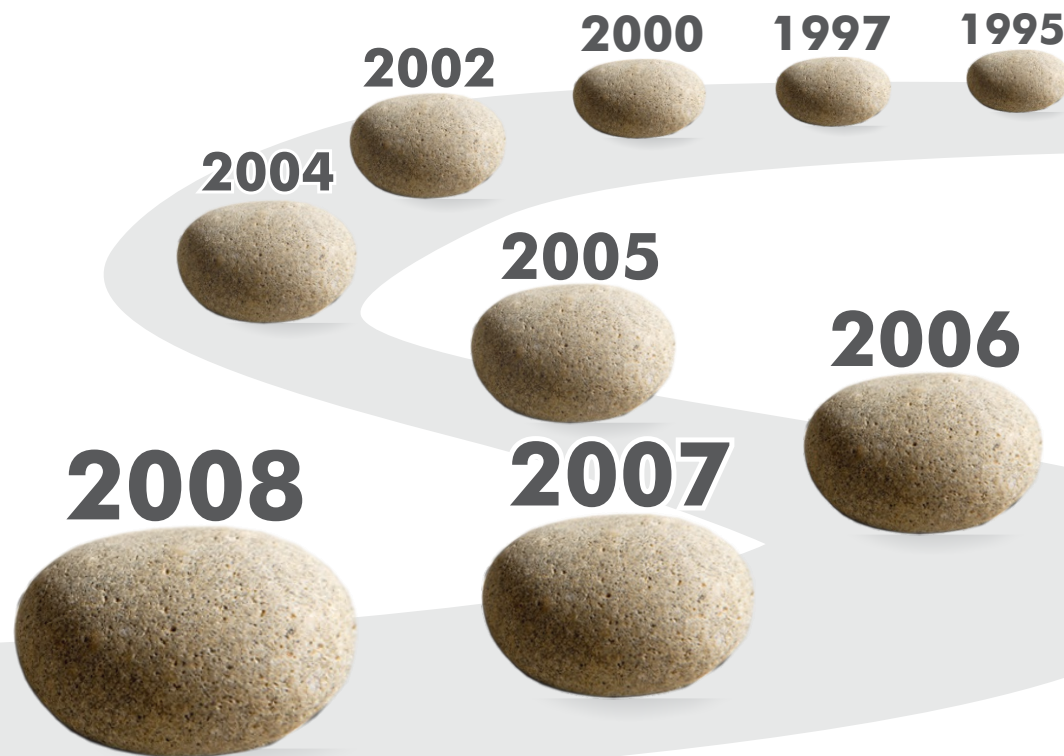


ANNUAL REPORTS AND STATEMENT OF ACCOUNTS 2012



Our Milestones



- **2008** - Listed on the Nigerian Stock Exchange
- **2007** - Raised N3.7 billion from private placement
- **2006** - Inception of new Management Team
- **2005** - Converted to a Public Liability Company (PLC)
- **2004** - Started Securitization of SOFGH
- **2002** - Established ASCON (Subsidiary)
- **2000** - Established ASVEL (Subsidiary)
- **1997** - Commenced Operations; Established ASIL (Subsidiary)
- **1995** - Incorporated as a Limited Liability Company;
- **1995** - Licensed as a Primary Mortgage Institution by CBN

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Introduction

03

Company History

ASO Savings & Loans PLC is a Primary Mortgage Institution (PMI), incorporated in Nigeria as a limited liability company on November 9, 1995.

We formally commenced business on January 2, 1997 and converted to a public liability company (PLC) on September 22, 2005.

We are regulated by the Central Bank of Nigeria under the Mortgage Institution Decree No. 53 of 1989 to carry out the business of mortgage banking in Nigeria.

Between November 2006 and January 2007, we transited from a majority Government owned Company to a majority privately owned Company with Government holding about 16% of the Company's equity, and in the process acquired over 3,000 new shareholders. As at December 2007, ASO had shareholders funds in excess of N4.5bn.

We were listed on the floor of the Nigerian Stock Exchange on April 25, 2008.

Our Vision

To be the Mortgage Bank of Choice.

Our Mission

To build mutually profitable relationships anchored on a passion for excellence.

Our Achievements

- Over N30 billion mortgage originations for over 12,000 homeowners.
- Successfully championed and originated mortgages for over 88% of the residential mortgages securities by the 2007 N25billion Sale of Federal Government Houses bond in Abuja.
- Delivered social mortgages to numerous beneficiaries under the National Housing Fund Scheme.
- Built a deep and unsurpassed working knowledge of the FCT and now operates from twenty-three (23) branches and two cash centers within the FCT, Lagos, Rivers, Ondo, Kano, Nassarawa, Niger, Kaduna and Edo states of the Federation.
- Directly developed five housing estates around Abuja



Branch Network

Corporate Head Office

Plot 266, FMBN Building, Cadastral Zone AO, Central Business District, Abuja.
Tel: +234 (9) 461 1587

ABUJA

Area 7 Branch

5, Abriba Close, Area 7, Garki.

Area 11 Branch

Plot 599, Cadastral Zone A3,
Sharon Shopping Centre,
Ahmadu Bello Way, Garki, Area 11.

Bwari Branch

Bwari Township Highway, Bwari.

Eagle Square Branch

Parking Lot, Federal Secretariat Building,
Central Business District.

Garki II Branch

Plot 1580 Kabo Crescent, Garki II, Abuja.

Gudu Branch

Gudu Market.

Head Office Branch

Plot 266, FMBN building, Cadastral Zone AO,
Central Business District.

Jikwoyi Branch

Phase One, Near Jikwoyi Police Station, Jikwoyi.

Kado Branch

Kado Fish Market, Kado.

Kubwa Branch

Plot 185, Hamza Abudullahi Road
Off Gado Nasko Street.

Kuje Branch

Area Council Secretariat Road, Kuje

National Assembly Branch

Three Arms Zone, National Assembly

Wuse Branch

Wuse Market, Zone 6.

Zuba Branch

Along Zuba Motor Park Road, Zuba.

EDO

Benin Branch

6, Akpakpava Road, Benin City, Edo.

KADUNA

6A, Bida/Yakubu Gowon Way, Kaduna.

KANO

Murtala Mohammed Way

No 18, Opposite Daula Hotel, Kano.

LAGOS

Victoria Island Branch

No. 18, Construction House,
Adeyemo Alakija Street, Victoria Island,
Lagos.

Ikeja Branch

28, Oba Akran Way, Ikeja, Lagos

NASSARAWA

Keffi/Nyanya Road, Mararaba,
Nasarawa State.

NIGER

NICON Building, No. 1, Bank Road,
Minna.

RIVERS

No. 27, Aba Road,
Beside PDP Secretariat, Port- Harcourt.

ONDO

Tisco House Alagbaka, Akure.

CASH CENTERS

Gwagwalada

Muslim Pilgrims Welfare Board, Gwagwalada

Mabushi

VIO Office, Mabushi



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



Bilquis Rimi (Ms.)
Company Secretary



Chairman's Statement

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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.

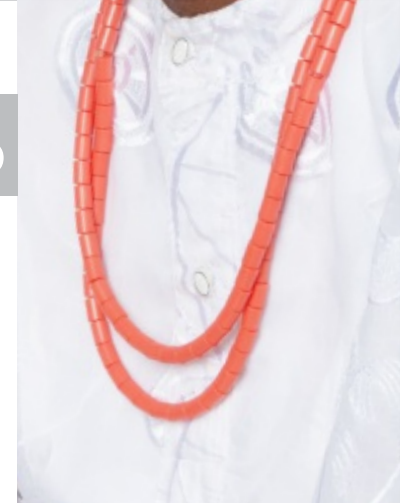
2. OPERATING RESULTS

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



Chairman's Statement (Cont'd)

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place. We thank you for your corporation and we expect to conclude on this matter very soon.

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

08



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



Hassan Musa Usman
Managing Director/CEO



Business Review

Our Operating Environment and Outlook

GLOBAL ECONOMY

After suffering a major setback during 2011, the financial year under review witnessed global prospects that are gradually strengthening again, but downside risks remain elevated. According to the International Monetary Fund (IMF) publication "World Economic Outlook", improved activity in the United States during the second half of 2011 and improved policies in the euro area in response to its deepening economic crisis have reduced the threat of a sharp global slowdown. Accordingly, weak recovery will likely resume in the major advanced economies, and activity is expected to remain relatively solid in most emerging and developing economies. The IMF recent World Economic Outlook also predicts 3.5 percent growth in world GDP in 2012 and 4.1 percent in 2013, down from about 4 percent in 2011 due to weak activity during the second half of 2011 and the first half of 2012. Real GDP growth in the emerging and developing economies is projected to slow from 6¼ percent in 2011 to 5¾ percent in 2012 but then to reaccelerate to 6 percent in 2013, helped by easier macroeconomic policies and strengthening foreign demand.

The euro area is still projected to go into a mild recession in 2012 as a result of the sovereign debt crisis and a general loss of confidence, the effects of bank deleveraging on the real economy, and the impact of fiscal consolidation in response to market pressures. Because of the problems in Europe, activity will continue to disappoint for the advanced economies as a group.

Looking at the Continent, after an initial recovery from the global economic crisis of 2008/2009, Africa's economic growth suffered a setback in 2011 due to the Arab uprisings and it fell from 5% in 2010 to 3.4% in 2011. With the recovery of North African economies and sustained improvement in other regions, growth across the continent is expected to accelerate to 4.5% in 2012 and 4.8% in 2013, according to AfricanEconomicOutlook.org. Commodity prices -- crucial for Africa -- have declined from their peak due to weaker demand and increased supply, and some could fall further. But prices are expected to remain at levels favorable for African exporters.

In summary, the global economy will continue to expand, though risks from Europe and the Persian Gulf could slow expansion considerably.

DOMESTIC ENVIRONMENT

The economic growth of Nigeria over the last decade has averaged about 7.4% annually and remained robust at 6.9% in 2011 driven by the growth in the non-oil sector including telecommunications, construction, manufacturing and agriculture. According to the National Bureau of Statistics, the Nigerian economy measured by real GDP is projected to grow at 6.50 percent in 2012, with adjustments made to incorporate the effect of the nationwide strike that occurred in the early part of January 2012, as well as the shock to the economy due to the partial repeal of the subsidy on Premium Motor Spirit (PMS). However, in 2013, the economy is projected to grow at a faster pace as the effects due to the partial repeal of the PMS subsidy are expected to dissipate. The economy is expected to grow at a respectable rate of 7.43 percent in 2014 and 7.25 percent in 2015.

The inflation rate fell from 13.6 percent in 2010 to 10.9 percent in 2011 following monetary policy tightening and the easing of food prices. In 2012, inflation is projected to rise to 13.57 percent due, to some extent, to the higher price levels in the economy following the partial removal of the PMS Subsidy. The inflation rate is projected to fall to 12.21 percent in 2013, 12.04 percent in 2014 and 11.91 percent in 2015, according to the NBS. The Central Bank of Nigeria has its sight on single-digit inflation rate and its responses to the various pressures within the economy will determine the ultimate outcome of various inflation projections.

For our industry, the effects of regulatory interventions continued to yield positive result in stabilizing and maintaining



Business Review (Cont'd)

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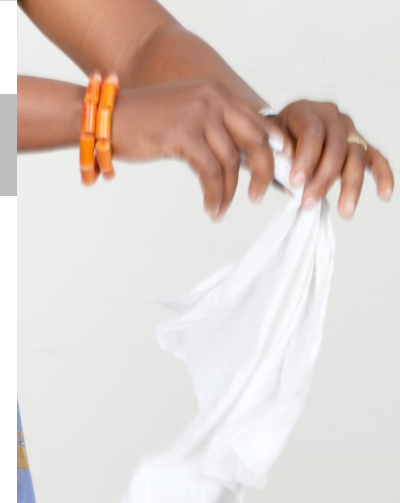
improved performances in the sector. The need for adequate liquidity in the industry has been a major concern and focus of regulatory authorities and in spite of the banking sector's improved performance, the financial sector in general continues to suffer from slow recovery in the capital market.

FUTURE OUTLOOK

Looking ahead, we expect continuity in the consolidation of the recovery gains from last financial year both at a global and domestic level. We expect that Nigeria will continue to provide fertile ground for investment and the real estate sector will receive better focus as more non-oil sectors improve their contributions to GDP. There is improved focus on the housing sector and the mortgage industry by the current administration and we expect interventions that will deepen the market, improve long-term liquidity as well as address some of the legal challenges within the sector.

We will ensure that we strengthen our specialization within the mortgage space both as a strategic move and also in line with the new CBN guidelines. The success of policies and reforms by CBN within our industry will continue to improve the confidence in the market. Our long term vision is to continue to be the mortgage bank of choice, and remain the foremost partner working with the Federal Government and various State and Local Government to achieve the National Housing Vision. We will continuously strive to provide outstanding service to our customers and establish ourselves in more cities of the Federation.

We will in addition take on capital raising through debt and equity instruments to grow our business while also stimulating growth of the Secondary Market. Finally, we will continue to work with our foreign equity partners, and other international fund managers to raise funds for real estate development and mortgages in Nigeria.



Our People and Policies

Human Capital Management Policy

OBJECTIVE

To provide a mechanism that will aid in managing risks by staying up to date with current trends in employment standards and legislation. This policy is being framed in a manner in line with the company's vision aimed at developing high performing teams equipped with a pool of skills and core competencies that will help in achieving organizational goals, policies and procedures with ASO's strategy.



POLICY

- a. ASO's human capital management strategies, policies and procedures shall be derived from the Bank's strategic intent.
- b. HCM and the business units shall collaborate as strategic partners in staff management. The roles of the various entities shall be clearly defined in all Human Capital strategies, policies and processes.
- c. Human Capital strategies shall be driven by strategic alignment to the business strategy, effectiveness, efficiency, synergy and ROI.
- d. Balanced Scorecard (BSC) shall be used as a management tool which provides stakeholders with a comprehensive measure of how the organization is progressing towards the achievement of its strategic goals.
- e. The HCM function shall define the Balanced Scorecard (BSC) for the articulated human capital roles, namely, strategic partner, change agent, employee champion and service expert, which shall be used to measure HCM's level of support to the corporate vision and goals/objectives.
- f. The major roles of the HCM function shall be strategic business partner, change manager, competency builder, process innovator and relationship manager.
- g. To ensure continuous improvement and consistent support to the Bank's business goals, the human capital strategies shall be reviewed periodically.

ASO's INTERNAL MANAGEMENT STRUCTURE

ASO's internal organogram comprises of Divisions and Groups that are broken down into departments, units and sub-units; below is the breakdown of the organogram:

Divisions

1. Finance
2. Home Finance
3. Marketing
4. Operations and Technology

Groups

1. Managing Director's Office
2. Corporate Services
3. Company Secretariat/Legal Services
4. Enterprise Risk Management

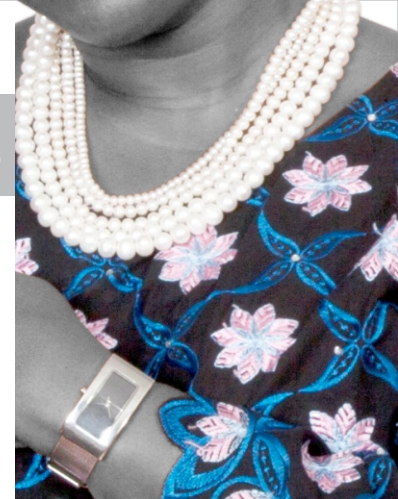
Corporate Office

- a. Managing Director's Office
Hassan Musa Usman, *Managing Director*

Our People and Policies (Cont'd)

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- b. Corporate Services
Salma Y. Mohammed, *Group Head*
- c. Company Secretariat/Legal Services
Bilkisu Rimi, *Company Secretary*
- d. Business Transformation
Amu Ogbeide, *Head*
- e. Internal Audit
Raheem Owodeyi
- f. Home Finance Division
Kudi Badmus
- g. Operations and Technology Division
Muhammed Inuwa Shehu
- h. Marketing Division
Maimuna S. Aliyu
- i. Finance Division
Peter Longe
- j. Enterprise Risk Management Group
Tony Edeh



Our People and Policies (Cont'd)

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Employee Relations Philosophy

We

- Embrace a high level of organisational culture that drives employee passion for performance that contributes to the formation of individual as well as high performing teams.
- Always aim at improving our standards in terms of employee motivation, emotional intelligence, business strategies and building initiative that will embed staff in excellent service delivery to both internal and external stakeholders.
- Are dedicated to keeping our work process flows clear and straightforward in accord with all other policies and guidelines laid-down by the Bank.
- Ensure team building within units, departments, groups and divisions that helps take the organization to its peak level performance.
- Ensure frontline managers have a certain level of confidence to resolve staff grievance as well as managing individual conflicts at a barest minimal level.
- Ensure fair hearings are given to individual parties when dealing with disciplinary issues to make certain appropriate processes and procedures are considered prior to implementing sanctions.
- Organize social gatherings for the ASO family encouraging a certain level of interaction between staff from top to bottom, building employee interpersonal skills through an informal way of making work more fun and personal.
- Will critically assess our performance, plan for change, and be proactive in bringing further improvements through the application of this policy to our operations.

Responsibility of Human Capital Department

- a. Act as a form of liaison between management and employees.
- b. Development and maintenance of an Employee Handbook and ensuring communication to all employees.
- c. Implementing all human capital related activities including conducting research and market intelligence into all human capital related matters of critical importance to the bank, such as salary levels, industry practice, et al.

The Role of Human Capital Management

In order to provide the needed strategic support to the business of ASO and to ensure the achievement of the vision and the mission, HCM shall play the following distinct roles:

- Change Agent
- Employee Champion
- Services Expert
- Strategic Business Partner

Our People and Policies (Cont'd)

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Change Agent

- HCM would manage the Bank's change journey for new business and operating models.
- Partner with and support heads of strategic business and support units in leading change in their respective units.
- Provide the required consulting and handholding support to manage the relative framework through the transformation process.

Employee Champion

- Providing coaching to the Heads of Business and Support Groups in taking responsibility for staff competency development.
- Managing counseling relationships between staff to enable feedback and commitment to the Bank's goals and objectives.

Services Expert

- HCM shall primarily be responsible for cost savings through efficient design and delivery of HC systems.
- Manage the outsourcing of non-mission critical administrative Human Capital tasks.

Strategic Business Partner

- To support HCM strategy, systems and people with each Group/Department/Unit strategic objectives.
- Plainly set people priorities to deliver results on all strategic thrusts (for instance, define the profile of people required to implement business objectives, etc).

IN ASO, we have a Career Management /Learning and Development Unit. The unit is primarily concerned with equipping and developing employees to strengthen their areas of competency whilst encouraging and guiding them to develop a strategic career path towards achieving their set goals.

Career Development Goals

These goals are broken down to enable employees develop a career plan;

- Channel a career development plan for every employee in ASO towards the achievement of absolute professionalism
- Establish a training program to be attended by various grade of employee in different functional areas
- Provide a need-based approach to administering ASO's training management System
- Establish a structured training plan designed to equip all employees with the skill/knowledge level required to function efficiently.
- Provide employees with ultimate learning and development experience which is focused absolutely on individual skills/knowledge deficiencies which can also be leveraged by team work.
- Identify Individual training and career development needs.
- To attain sustainable improvement in Organisational performance
- To build profitability driven individuals in ASO
- To monitor/mentor outstanding individual for succession purpose

ASO-Corporate Social Responsibility

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ASO Savings and Loans Plc is committed to integrating social and ethical practices in its business operations while maintaining concerted efforts at increasing shareholder's profitability.

With a mission to build mutually profitable relationships anchored on a passion for excellence, we recognize the importance of Corporate Social Responsibility in aiding to establish trust with customers, communities and all our relevant stake holders. This is also in line with our aim of being socially responsible and sensitive to the needs in our environment.

With particular reference to impacting positively on the lives of the people in our community, we at ASO take special care at engaging in programs that are beneficial and geared towards improving living standards. In the 2011/2012 financial year, we focused on making meaningful contributions in the areas of;

- Leadership programs
- Education
- Summer Camping Activities for orphans
- School Facility Donations
- Health

ARCHBISHOP TUTU LEADERSHIP PROGRAMS

In the bid to support leadership learning activities that enhance the insights, experiences, tools and confidence of African youths, the bank contributed over N7,000,000 (7 Million Naira only) to the Archbishop Tutu Leadership Fellowship program, in this period. The ATLFP is a multi-faceted leadership learning experience focused on Africa leadership in a Global context and is targeted at providing our African youths with a supporting network that will better enable them become drivers of transformation in Africa.

THE ASO BACK TO SCHOOL DRIVE

At ASO, we appreciate the inestimable value of education and have committed ourselves to supporting our adopted schools in their specific areas of need. In 2012, we donated school materials to the pupils of L.E.A primary School, Area 1, Abuja and the students of Government Junior Secondary School Kabusa, Abuja. We also extended donation of teaching and learning materials to Barikin Sale Primary School in Minna and LEA primary school Ajegunle. These learning materials are intended to motivate the children to learn, and to complement the existing learning aids in the school.

In the same vein we also fulfilled our annual scholarship commitment to three select candidates who have been on our scholarship scheme since 2010. The scheme covers their yearly tuition fees at secondary school level

THE TIME FOR MONEY EXERCISE

Priding on the principle of employee involvement in social initiatives and its effects at fostering employee engagement, ASO organises the Time for Money programme where Staff volunteer their time towards various initiatives such as, a 3-week summer camp at Berma Homes in Lugbe-Abuja where we hosted different orphanage homes in the FCT, and taught the children valuable subjects like Maths, English, French and Sports. Other areas of learning included Etiquette, Dance and Drama.



ASO-Corporate Social Responsibility (Cont'd)

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DONATION OF SCHOOL FACILITIES

ASO also donated 200 twin benches (tables and chairs) to LEA Primary School Rigasa, Kaduna and constructed a 6 room lavatory house for the pupils of GJSS School, Kabusa.

HIV/ MALARIA AWARENESS CAMPAIGN

Also, in this period, we partnered with the non-governmental organization, Silver Lining for the Needy Initiative (SLNI), to conduct a HIV and Malaria Awareness campaign in Mpape community of FCT. This included creating awareness of the prevention of the HIV/AIDS virus, Malaria and other infectious diseases in the community. On-the-spot free screening exercises for the virus infection were conducted for participants and mosquito treated nets were distributed to all present.



Capital

ISSUANCE OF SHARE CAPITAL DURING THE YEAR

Pursuant to S. 34.3 of the Securities Exchange Commission Corporate Governance, no part of the company's share capital was issued in the 2011/2012 financial year. Thus, the share capital remains the same, i.e , 8, 678, 748, 676.

DETAILS AND REASONS FOR BUY BACKS DURING THE YEAR

Pursuant to S. 34.3 of the Securities Exchange Commission Corporate Governance, there was no share buyback by the company in the 2011/2012 financial year.

SUMMARY TABLE OF SHAREHOLDERS WITH 5% ABOVE SHARE HOLDING

	Shareholder	% Holding
1	Grovecrest Properties Limited	7
2	Abuja Investment Company Limited	10
3	APT Securities & Funds Limited	14.06
4	ESL Securities Limited	10.37
5	Other Investors	58.57
	Total	100



Corporate Governance Report

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With the recent corporate scandals in Nigeria largely blamed on weak corporate governance, the codified efforts on minimum requirements have gradually shifted from a persuasive document to a binding code, especially on Listed Companies like ours. Indeed, effective 4th April, 2011 all Listed Companies are mandated to comply with the SEC Code of Corporate Governance. This Code defines the minimum standards of corporate behaviour on issues pertaining to the Board/Board Committees, Investors/Stakeholders relations, Risk Management and Audit, Accountability and Reporting.

The Company has within the financial year significantly enthroned the principles of good corporate governance in its people, policies, processes and structures. Our report presents our efforts at maintaining the best global practices on corporate governance in line with codified standards.

BOARD OVERSIGHT:

Composition and Structure:

ASO's 9 man Board is composed in a manner that guarantees competence, diverse experience and objectivity. Comprising, a healthy mix of Executive and Non-Executive Directors, the Board is headed by a Chairman, who is a non-Executive Director, and who steers the Board's proceedings towards achievement of the Company's strategic objectives. A Managing Director/Chief Executive Officer on the other hand heads the management team and directs the day to day operations of the Company.

With the steady expansion in business and operations, it became pertinent to increase the Board composition to ensure it maintains effective oversight functions. To this end, the Company has secured the requisite approvals for an increase in the maximum board composition to 15 Directors. The Company is also in the process of appointment of two independent Directors, to improve the independence and objectivity of the Board in its deliberations and decisions.

Duties of the Board:

The Board is primarily responsible for ensuring good corporate governance in the Company, as well as defining the Company's strategic goals and ensuring that its resources are fully deployed towards the attainment of these goals.

To this end, the Board's deliberation and decisions has within the year geared towards the following end;

- Overall strategic direction of the Company;
- Effectiveness and adequacy of the internal control systems;
- Integrity of the Company's financial reports and reporting systems;
- Effectiveness of the Bank's risk management framework;
- Legal, regulatory and ethical compliance;
- Sound Investment and financing decisions;
- Effective oversight on the general activities of the Management team, including their appointment, compensation and discipline.

While undertaking these functions, the Board has been assisted by several Board Committees.

Overview of the Board Committees:

The Bank presently has 4 Board Committees which assists the Board in discharging its functions; Audit Committee, Board Risk Management and Investment Committee, Board Credit Committee and Board Compensation Committee. The



Corporate Governance Report (Cont'd)

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composition of these Committees effectively considers the requisite skills and competencies of their respective mandates. Relevant Senior Management staff are also permitted to be in attendance in deserving circumstances to assist the deliberations of the Committees.

Audit Committee:

The Audit Committee is comprised of 6 (six) members, comprising a mix of Executive and Non-Executive Directors as well as seasoned professionals duly elected by the Shareholders. To further ensure independence, the Committee is chaired by a Shareholder-nominated member.

In the Financial Year, the Audit Committee operating under its terms of reference discharged its responsibilities by:

- Ensuring compliance of the accounting and reporting policies of the Company with the legal requirements and ethical practices;
- Reviewing the scope and planning of audit requirements prior to the commencement of the audit exercises conducted within the year as well as ensuring the effective co-ordination of audit exercises;
- Reviewing the draft half year and annual financial statements prior to submission to the Board;
- Reviewing the findings on management letters in conjunction with the External Auditors and the responses to audit queries from management;
- Reviewing and maintaining the effectiveness of the Company's system of accounting and internal control;
- Reviewing the arrangements by which staff may in confidence, raise concerns about possible frauds;
- Ensuring adequate leadership and staffing of the Company's Internal Audit;
- Making recommendations to the Board with regard to the remuneration of the Company's External Auditor;
- Maintaining a constructive dialogue between the Joint External Auditors and the Board in order to ensure that the credibility of financial disclosures and the interest of Shareholders are enhanced.

Board Risk Management and Investment Committee:

This 3 man Committee is effectively comprised to assist the Board in its determination and oversight of the risk profile, risk management framework and the risk reward strategy of the Company. The Committee has within the year discharged its functions per its charter by:

- Overseeing the establishment of a formal risk management framework;
- Overseeing the effective management of all risks faced by the Bank except credit risk;
- Ensuring that adequate policies and controls are in place to manage the adverse effects of the business and control risks in the Company's operations;
- Evaluating along with senior management, the adequacy of the risk management system and control environment;
- Reviewing the processes for assessing and improving controls for the management of risk in the Bank;
- Ensuring the Bank's information security policies, business continuity management and disaster recovery plans are comprehensive and adequate;
- Monitoring compliance with established policies through periodic review of reports provided by management, statutory auditors and the supervisory authorities;
- Reviewing reports on the Bank's risk profile, the action plans in place to manage key risks, and monitoring progress against plan to achieve these actions;
- Overseeing the activities of management with regard to the investment of the Bank's funds.



Corporate Governance Report (Cont'd)

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Board Compensation/General Purpose Committee:

This 3 man Committee was basically set up to advise the Board on the Company's compensation policies as well as matters pertaining to Corporate Governance. Within the year, it had:

- Supervised a peer review of the Company's compensation and remuneration levels to ensure its competitiveness and improve the Company's chances of attracting and retaining the best hands;
- Recommended to the Board in conjunction with the Management, a compensation policy for the Company within the context of the formal corporate strategic plan and the compensation philosophy therein;
- Recommended to the Board for approval, a revised staff compensation plan of the Company in conjunction with the recommendations of the Management;
- Established and reviewed with the Board, a succession planning process including professional development and an emergency replacement plan;
- Diligently executed its mandate per other matters assigned by the Board.

Board Proceedings, Evaluation and Training:

In the discharge of its functions, the Board and Board Committees have met regularly to deliberate and take decisions on issues within their respective mandates. These meetings have recorded high attendances with few cogently explained absences.

Below is a table showing the various board and board committees composition and meetings held within the year as well as recorded attendances for each director and member.

Full Board Meeting Attendances:

7 meetings were held within the year with the following attendances:

S/N	Names of Directors	May 19, 2011	June 30, 2011	August 26, 2011	October 28, 2011	January 24, 2012	March 7, 2012	March 28, 2012	Total attendance
1	Dr. Abdu Mukhtar	Present	Present	Present	Present	Present	Present	Present	7/7
2	Olatunde Ayeni	Present	Present	Present	Present	Present	Present	Present	7/7
3	Collins Chikeluba	Present	Absent	Present	Present	Present	Present	Present	6/7
4	Joshua Maikori	Absent	Present	Present	Present	Present	Present	Present	6/7
5	Hassan Usman	Present	Present	Present	Present	Present	Present	Present	7/7
6	Mohammed Inuwa Shehu	Present	Present	Present	Present	Present	Absent	Present	6/7
7	Maimuna Aliyu	Present	Present	Present	Present	Present	Absent	Present	6/7
8	Peter Longe	Present	Present	Present	Present	Present	Present	Present	7/7
9	Kudi Badmus	Absent	Absent	Present	Absent	Absent	Present	Present	3/7



Corporate Governance Report (Cont'd)

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Board Audit Committee Meeting Attendances:

3 meetings were held within the year with the following attendances:

S/N	Names Of Committee Members	October 14, 2011	November 23, 2011	March 28, 2012	Total attendance
1	Ibrahim Oruma	Present	Absent	Present	2/3
2	Tunde Ayeni	Present	Absent	Absent	1/3
3	El-amin Bello	Present	Present	Absent	2/3
4	Joshua Maikori	Present	Present	Present	3/3
5	Collins Chikeluba	Present	Present	Present	3/3
6	Dr. Farouk Umar	Present	Present	Present	3/3
*7	Hassan Usman	Present	Present	Present	3/3
*8	Mohammed Inuwa Shehu	Present	Present	Present	3/3
*9	Raheem Owodeyi	Absent	Present	Present	2/3
*10	Peter Longe	Absent	Absent	Present	1/3

**EDs and Management Staff in attendance.*

Board Credit Committee Meeting Attendances:

1 meeting was held within the year. Attendance is shown below:

S/N	Names Of Committee Members	March 27, 2012	Total attendance
1	Tunde Ayeni	Present	1/1
2	Joshua Maikori	Present	1/1
3	Hassan Usman	Present	1/1
4	Peter Longe	Present	1/1

Board Risk & Investment Committee Meeting Attendances:

2 meetings were held within the year with attendances shown below:

S/N	Names Of Committee Members	March 1, 2012	March 27, 2012	Total attendance
1	Collins Chikeluba	Present	Present	2/2
2	Joshua Maikori	Present	Present	2/2
3	Hassan Usman	Present	Absent	1/2
*4	Tony Edeh	Present	Present	2/2

**Senior Management staff in attendance.*

Board Compensation/General Purpose Committee Meeting Attendances:

1 meeting was held within the year with attendance shown below:

S/N	Names Of Committee Members	November 23, 2011	Total attendance
1	Collins Chikeluba	Present	1/1
2	Joshua Maikori	Present	1/1
3	Hassan Usman	Present	1/1

Corporate Governance Report (Cont'd)

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To further ensure diligence and accountability, the Board members were within the year subjected to a formal and rigorous performance evaluation. The evaluation was based on set key criteria and was conducted by a renowned independent consulting firm. It extensively assessed the Board's skills and competency level, commitment and integrity amongst others.

The Company has demonstrated a deep appreciation for periodic, relevant, professional continuing education programmes in a bid to update the Directors and Committee members' knowledge and skills and keep them abreast of development in the Company's operating and business environment. To this end, the Company has within the year sponsored the Board and Board Committee members to various cognate trainings within and outside the country.

RELATIONSHIP WITH STAKEHOLDERS:

ASO recognises that superior stakeholder satisfaction is critical for successful companies in a hyper competitive environment. These stakeholders are acknowledged as those, whose without continuing participation, the organization cannot survive as a going concern. They include the shareholders or owners, employees, customers, suppliers, the Government and the community.

Generally, the Company conscientiously seeks to understand stakeholder needs and adopts transparency, open communication, fairness and superior value proposition in ensuring stakeholder-satisfaction.

The shareholders have been fairly treated, given equal access to information and availed full voting and participatory rights in the General Meetings of the Company. The Company maintains a shareholders' help desk manned by dedicated and well trained relationship managers for an effective resolution of shareholders enquiries and issues. The Company has also met with its reporting and disclosure requirements in an accurate and timely manner.

ASO respects the personalities and individuality of employees, and consistently provides employees with safe conditions of work and good terms of service, promoting staff development and encouraging full participation. The Bank has also strived to keep staff motivation at the peak through review of compensation plans as well as revised staff mortgage and reward policies.

The customers have also been availed with products and services that offer value in terms of pricing and quality. To ensure we deliver first class services to our customers, the Company is currently implementing a service culture plan in partnership with a seasoned US based consulting firm. The use of mystery shopping as well as strengthening of the Company's Service Quality Unit has further ensured we offer highly competitive services. A customer forum was also successfully held within the year where our customers were availed the opportunity to participate in the corporate decision making process.

The Company has maintained a mutually beneficially relationship with its suppliers, discharged its legal and regulatory obligations in a timely and efficient manner as well as carried out its business in line with the best ethical standards and tenets of sound Corporate Social Responsibility (CSR).



Corporate Governance Report (Cont'd)

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Risk Management in ASO

Introduction

Historically, risk management focused on managing financial risks through insurance along with managing operational risks such as environmental, health and safety. Risk management focused on protecting enterprise value and achieving functional excellence. As globalization intensified, the speed of business increased, and regulatory regimes became more stringent with increased policies, business became increasingly complex and more risks emerged.

Recent changes in the regulatory environment including the release of new banking guidelines for Primary Mortgage Banks and business growth, have necessitated the adoption of a more proactive approach to risk management as ASO believes sustainable growth is anchored on first class risk management.

Aso's Risk Management Philosophy

Risk management is the core driver of our business and is reflected in every decision and action we take. We use it to create and uphold value for our stakeholders and differentiate ourselves in the market place by being the benchmark for our peers and the reference for all businesses. ASO adopts a cautious, calculated and responsible approach to risk taking and continuously evaluates the risks and rewards inherent in all its business transactions. We only undertake transactions that we consider prudent and within our risk appetite.

Our risk culture empowers our people to make informed decisions in managing rather than avoiding risk by creating a balance between risk and rewards.

ASO's risk appetite is expressed in terms of the level of variability of return it is prepared to accept in order to achieve a desired level of result. It is determined by considering the relationship between risk and return. Our risk appetite shall always be set at a level that minimizes erosion of earnings or capital due to avoidable losses in our mortgage transactions and/or from frauds and operational inefficiencies.

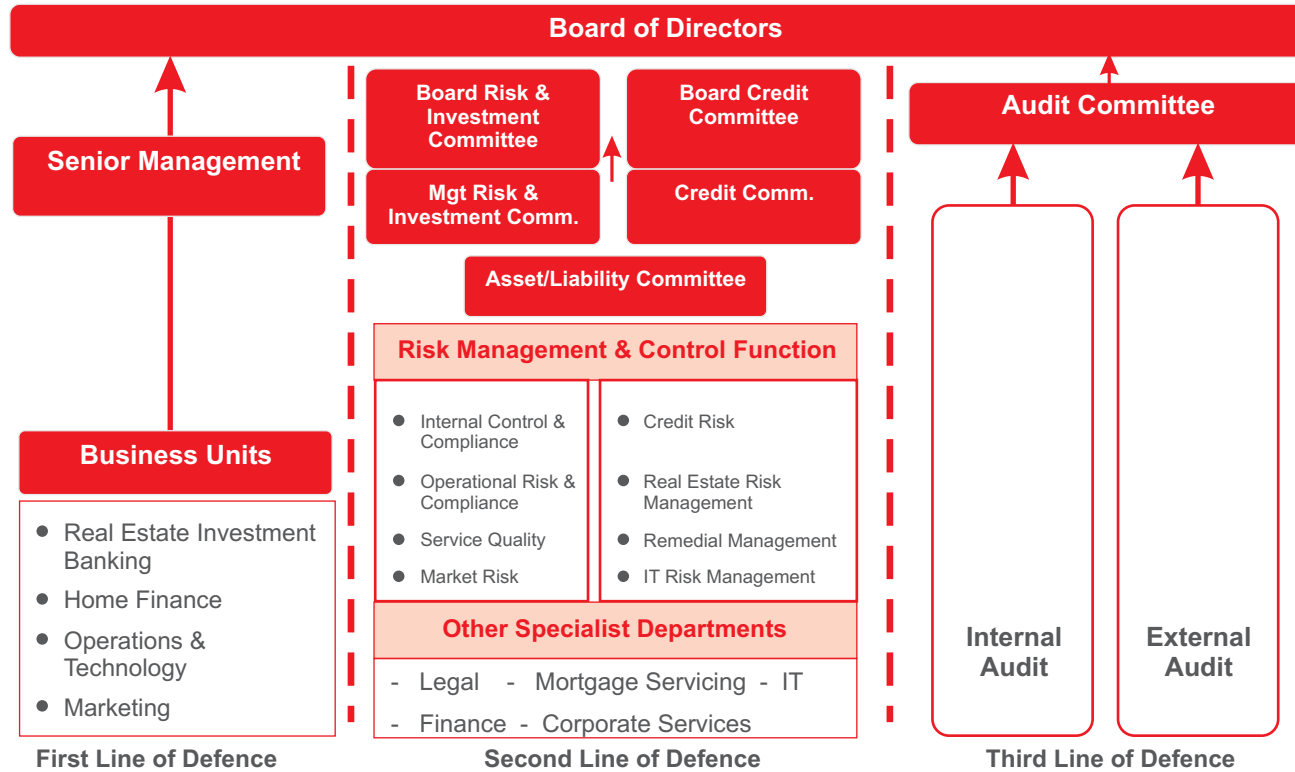
The Risk Management Framework

Risk management in ASO is governed by its Enterprise-wide Risk Management Framework which was reviewed in 2011 in line with recent developments in the market and aligned with changes in the Basel II & III Risk Management Frameworks. Ownership and responsibility for the risk management function lies with the Board and cascades down to front-line managers. Our risk management framework is designed based on the "three lines of defense" model as follows:



Corporate Governance Report (Cont'd)

Risk Management in ASO (Cont'd)



The Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework via its committees – Board Risk and Investment Committee, Board Credit Committee, and Board Audit Committee. These committees are responsible for developing and monitoring risk policies in their specified areas and report regularly to the Board of Directors on their activities.

Management Committees assist the Board Committees in identifying and assessing risks that arise from day to day activities of the Bank. These committees which meet on a regular basis are:

- The Management Credit Committee
- Criticized Assets Committee
- Risk and Investment Committee
- Asset and Liability Committee

The Risk Management Function in ASO

As a Primary Mortgage Bank, ASO is exposed to the following risks:

- Credit risk
- Asset and Liability Management
- Construction Risk
- Real Estate Valuation Risk
- Liquidity risk
- Operational risks
- Market risks

Corporate Governance Report (Cont'd)

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Risk Management in ASO (Cont'd)

To mitigate the risks listed above the following units are responsible for implementing the Bank's risk management and internal control policies:

Credit Risk Management Unit

Mortgage lending is the principal business activity for ASO. The loan portfolio is typically the largest asset and predominant source of revenue. As such, it is the greatest source of risk to the Bank's safety and soundness. The department consists of the Portfolio Planning & Risk Reporting, Credit Analysis, Credit Admin & Processing units, and together they implement credit policies and procedures in line with credit approval authorities granted by the Board. The credit risk management unit is responsible for monitoring the quality and performance of its credit portfolio and for controlling credit risks in its portfolio. During the financial year, we have continued to focus on enhancing our capabilities in providing both qualitative and quantitative data to the board on risks associated with credits and facilitating more informed and effective decision making. Our lending criteria for all lending products have further been strengthened during the year while collection and recovery processes enhanced. This is evidenced by a significant reduction in the volume of our NPL.

Operational Risk and Compliance Unit

Operational risks arise as a result of inadequate or failed internal processes, people, and systems or from external events. When these risks crystallize, they result in operational losses such as legal costs and liabilities, interest claims, penalties and fines paid to regulators, losses or damage to assets, and write downs on financial assets. The operational risk team through risk identification and assessments, measurement and monitoring reduces the likelihood of occurrence of risk events and their impact on the Bank's bottom line. Operational risk management tools such as risk and control self assessments and incident management and reporting have been deployed in identifying new risks and adverse trends bank wide, thereby improving operational capabilities. ASO is also the first Mortgage Bank in Nigeria to institute a loss data capturing system in efforts towards Basel compliant.

During the year, ASO strengthened its regulatory reporting capabilities by deploying an automated anti-money laundering solution for reporting currency and suspicious transactions to the regulators. To further create a compliant environment, the Compliance Team commenced training of new staff on regulatory compliance as part of their induction programme. Trainings covered topics such as Know Your Customer (KYC), Politically Exposed Persons (PEPs) and Due Diligence.

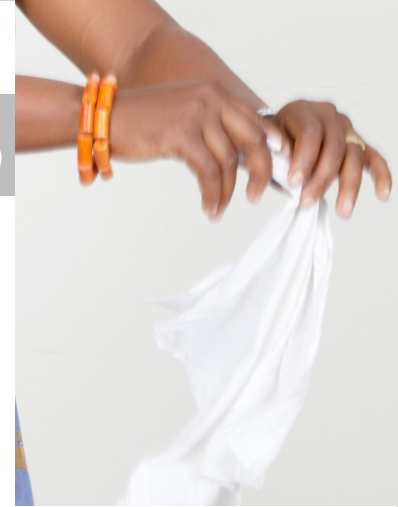
It is worth mentioning that no regulatory infringement was reported during the period and as such no penalty, sanction or fine was incurred by the Bank.

Real Estate Risk Management Unit

This unit has the responsibility of ensuring that ASO's risk assets are adequately collateralized and that real estate construction projects are delivered within cost/budget and timelines, and according to scope and specification. The unit conducts field assessments and site inspections and produces valuation reports which form the basis for the consideration of collaterals and loan disbursements. A proposed Project Management Unit will help in manage the risks inherent in large real estate projects.

In its bid to contain construction risk the real estate risk management unit assesses developers' ability to commence and complete the project within budgeted time and budgeted costs. The unit also assesses the ability of the developers to deliver houses of requisite quality. Their ability to ensure that changes in prices of materials, labour and land acquisition are not adverse reduce the chances of projects being abandoned by developers.

This unit also manages risks in property exposure via valuations and appraisal assessments to ascertain the appropriateness of properties as collaterals and their ability to be easily converted to cash in the event of default by a



Corporate Governance Report (Cont'd)

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Risk Management in ASO (Cont'd)

customer. The forced sale value of a property must be able to cover the bank's exposure. Hence, the need for a thorough evaluation and assessment to guarantee that all risks inherent are adequately taken into consideration.

Remedial Management Unit

ASO Savings like any other financial institution has set up the remedial management unit with the mandate to reduce to the barest minimum, the rate of non-performing loans in the Bank. In recent past, the Bank was overburdened with a huge volume of non-performing loans which significantly impaired the Bank's earnings and shareholder value. The establishment of this unit has contributed in moving the Bank from a negative to positive position in terms of profitability. Aggressive recovery using well experienced recovery agents, robust remedial techniques and a hard line posture on defaulters yielded great results.

Information Technology (IT) Risk Management Unit

The IT Risk Management department consists of IT Risk Assessment and Monitoring which is responsible for IT risk assessment over IT and business processes, IT applications and supporting infrastructure; the System Control unit responsible for user access management and ATM PINs management; the CBA/Revenue Assurance unit responsible for periodic review of controls over the core banking application and over system processing of automated transactions such as revenue; the Information Security, Business Continuity and Crisis Management responsible for ensuring that infrastructure threats and vulnerabilities are identified and managed and that the disaster recovery plan and business continuity plan are updated and tested on a regular basis.

Internal Control and Compliance Unit

The unit is responsible for ensuring compliance with the Bank's policies and standard operating procedures. The internal control process is designed to provide reasonable assurance regarding the effectiveness and efficiency of operations and the controls around them, the reliability of financial reporting, and compliance with applicable laws and regulations. The unit has adopted COSO internal control framework as the approach towards achieving control objectives.

Service Quality Management Unit

Service quality management (SQM) is a vital ingredient in ASO's ability to maintain profitability and continued success in business. Not only does Service Quality build loyalty for both ASO and its products, it guarantees ASO's viability in today's competitive market.

During the financial year SQM implemented the Mystery Shopping exercise which focused on the Bank's ambience, service, processes, people and attitude resulting in overall improvement in customer service delivery. In achieving its objectives, SQM partners with business units to establish and manage the quality of service from a customer's perspective and create a service oriented culture

ASO's Risk Management Approach

ASO has adopted an integrated approach to risk management where the audit, compliance, risk and governance functions are converged to a common objective. Risk assessments are integrated with strategy development and business planning, enabling management define soft spots, loss drivers and complexities inherent in the Bank's objectives which could adversely affect execution and performance.

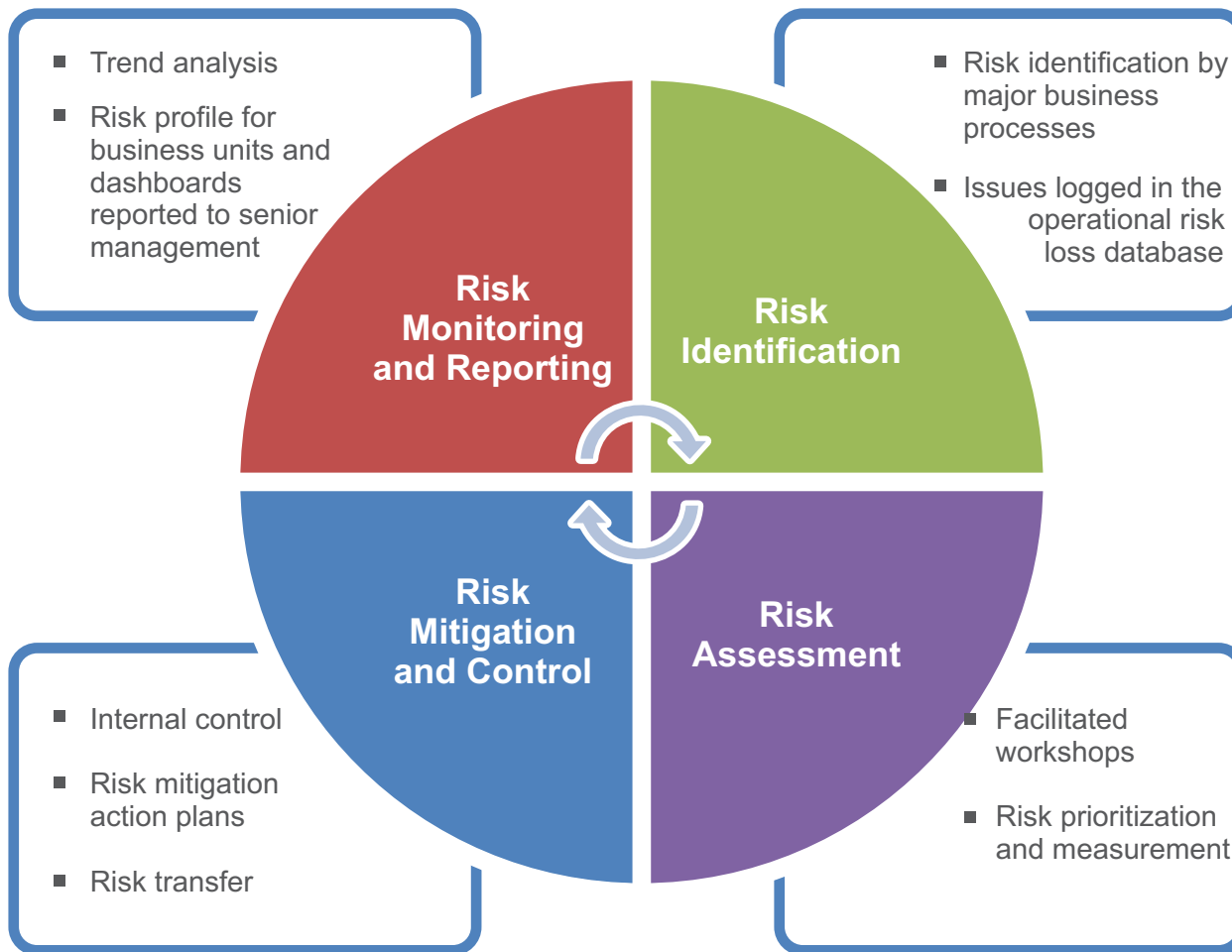


Corporate Governance Report (Cont'd)

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Risk Management in ASO (Cont'd)

ASO'S INTEGRATED RISK MANAGEMENT APPROACH



Corporate Governance Report (Cont'd)

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AUDIT, ACCOUNTABILITY AND REPORTING:

The Company's Audit structure revolves around the Internal Auditors, External Auditors and Audit Committee.

Internal Audit:

The Company operates an effective risk based internal audit function wherein internal auditing activity is clearly defined and regulated by the audit charter duly approved by the Audit Committee and Board. Internal Audit Unit reports directly to the Board through the Board Audit Committee but nevertheless maintains a direct line of communication with the MD/CEO.

Within the year, the Internal Audit has remitted monthly audit reports to the MD/CEO and quarterly audit reports to the Audit Committee. Exceptions raised in these reports have been treated with utmost significance and regularizations were strictly monitored and followed up.

The Unit has further developed a whistle blowing mechanism for reporting illegal or unethical occurrences within the Company. The mechanism is accorded priority and the Board has reaffirmed its continual support and commitment to the process.

The effectiveness of the Internal Audit Unit has also been largely enhanced by the recruitment of a very experienced and senior staff as the Chief Inspector. The staff strength was boosted by recruitment of experienced and highly qualified staff. Structural changes were also effected within the unit to maximise its effectiveness.

External Audit:

Complementing the efforts of the Internal Audit efforts are the Joint External Auditors; Ernst & Young and Aminu Ibrahim & Co. To safeguard the integrity of the external audit process and guarantee independence, the External Auditors as a principle, neither hold shares nor any credit facility in the Company, whether directly or indirectly. These Audit firms constantly rotate audit partners assigned to undertake external audit of the company, further guaranteeing independence without compromising continuity of the external audit process.

Accountability and Reporting:

ASO observes full disclosures in line with the legal and regulatory requirements. It has within the year rendered accurate and timely reports within the relevant regulators and stakeholders. The Directors have also reaffirmed their ultimate responsibility for the corporate reporting system and continues to dictate measures geared towards improvement.

The Company has in partnership with KPMG professional services been working towards a seamless adoption and conversion to the International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB) to guide the preparation of financial statements. The conversion process is in the conclusion phases and the new standard would be adopted in preparation of financial statements for the December 31, 2012 FYE as well as the succeeding financial years.

CONCLUSION:

A sound system of corporate governance is essential for the progress and prosperity of an organization. We recognize that through entrenching same, we will minimize risks, maximize efficiency, restore market confidence, ensure stakeholder satisfaction and ultimately entrench our place as the Mortgage Bank of choice.

Corporate Governance Report (Cont'd)

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Board of Directors



Dr. Abdu Mukhtar
Chairman
(26th Nov., 2007 – 27th Mar., 2012)



Mr. Olatunde John Ayeni
Chairman
(From March 27th, 2012)



Mr. Collins Chikezie Chikeluba
Vice Chairman



Mr. Joshua Maikori
Director



Hassan Musa Usman
Managing Director and
Chief Executive Officer



Kudi Badmus
Executive Director,
Home Finance



Muhammed Inuwa Shehu
Executive Director,
Operations & Technology



Maimuna S. Aliyu
Executive Director,
Marketing



Peter Longe
Executive Director,
Finance

Corporate Governance Report (Cont'd)

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Senior Management



Hassan Musa Usman
Managing Director and
Chief Executive Officer



Kudi Badmus
Executive Director,
Home Finance



Muhammed Inuwa Shehu
Executive Director,
Operations & Technology



Maimuna S. Aliyu
Executive Director,
Marketing



Peter Longe
Executive Director,
Finance



Bilikisu Rimi
Company Secretary/General Counsel



Raheem Owodeyi
Chief Inspector



Salma Muhammed
Group Head,
Corporate Services



Tony Edeh
Group Head,
Enterprise Risk Management



**ASO SAVINGS & LOANS PLC
REPORT OF THE AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

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- Statement of Significant Accounting Policies
- Balance Sheet
- Profit and Loss Account
- Statement of Cash Flows
- Notes to the Financial Statements
- Statement of Value Added
- Five-Year Financial Summary



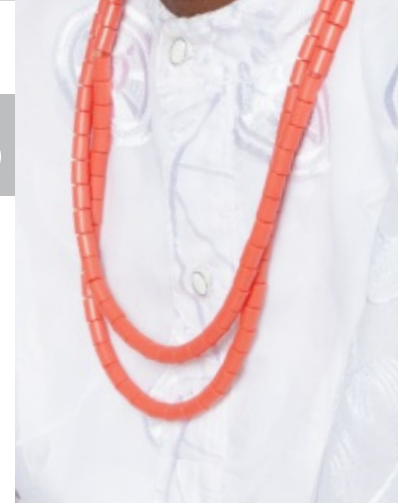
Financial Highlights For The Year Ended 31 March 2012

	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 27/03/2012)
Abdu Mukhtar	Chairman (resigned on 27/03/2012)
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:

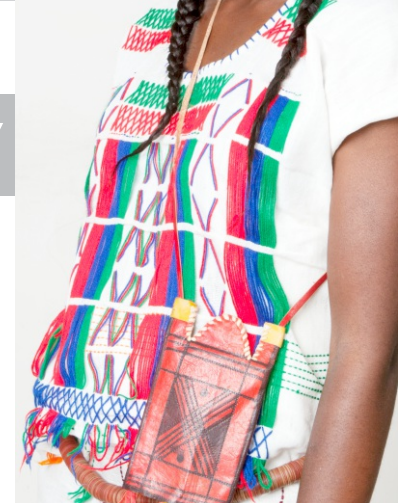
Names	Units	
	31/03/2012	31/03/2011
Joshua Audu Maikori	5,031,328	5,031,328
Hassan Usman	21,266,000	21,266,000
Collins Chikezie Chikeluba	400,000,000	400,000,000
Olatunde John Ayeni	470,000,000	470,000,000
Kudi Badmus	11,912,000	11,912,000

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



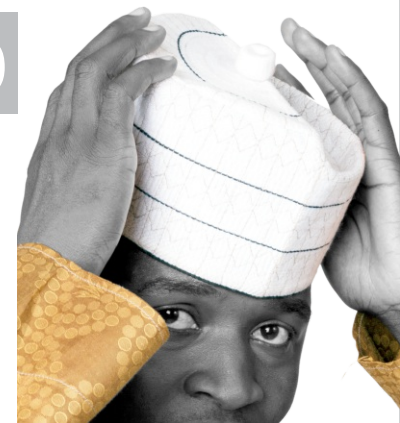
COMPANY SECRETARY

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

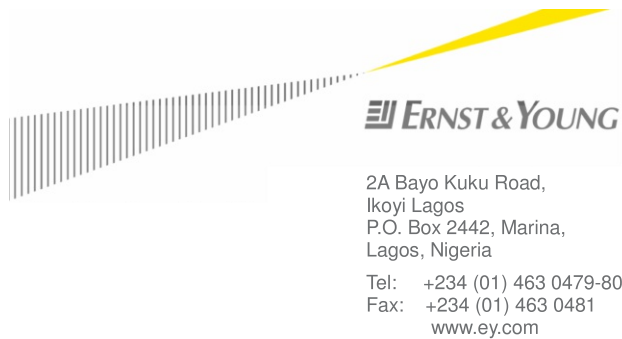
11 June, 2012

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



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

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.



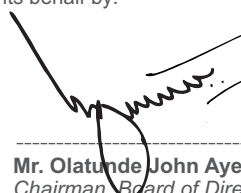
Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

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>			
<i>The accounting policies and the notes form an integral part of the financial statements.</i>			



Profit And Loss Account For The Year Ended 31 March 2012

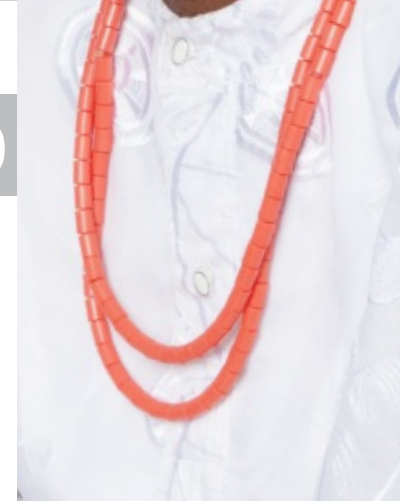
	Note	31 March, 2012 N'000	31 March, 2011 N'000
Gross earnings		10,784,934	11,007,714
Interest and similar income	23	7,910,593	9,431,094
Interest and similar expense	24	(2,300,032)	(2,668,578)
Net interest income		5,610,561	6,762,516
Fees and Commissions	25a	1,184,689	1,075,997
Other income	25b	1,689,652	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	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: <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	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.	
	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)

	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

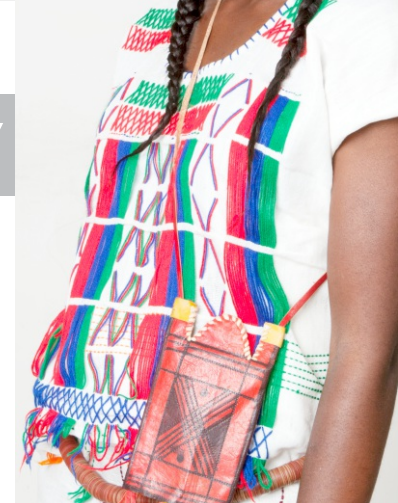
In accordance with banking traditions, the assets and liabilities have been shown in decreasing order of liquidity and without sub-classifications as between fixed and current assets unlike the formats applied by the Act. Subject to the forgoing, the format used gives the information required by the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

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	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
<div> <div></div> <div>12 months ended</div> <div></div> </div>					
	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: +234-9-461 1587, Fax: +234-9-461 1589