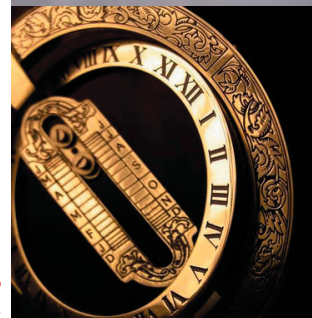


Annual Report  
Accounts

'09



Dynamic,  
Seamless  
Consistent



...built around you

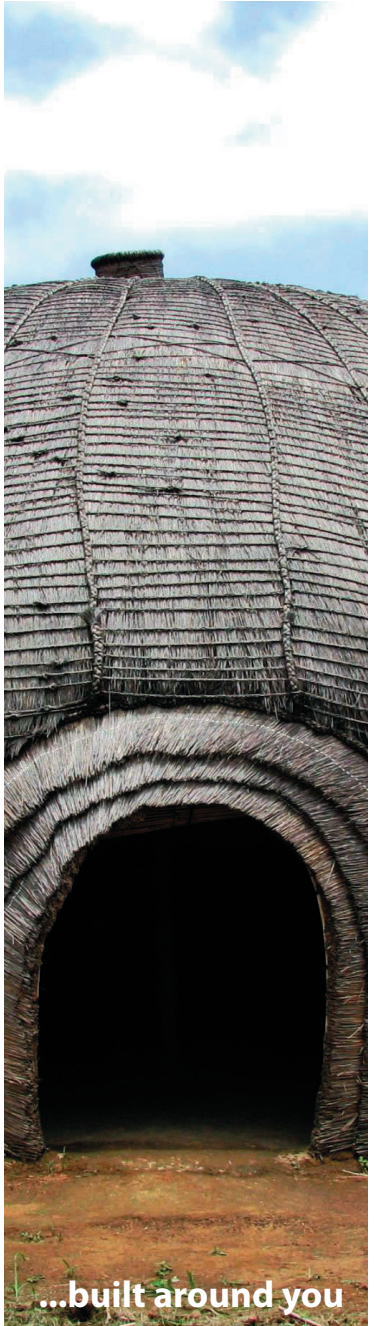




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## CORPORATE GOALS

### OUR VISION



We will be the national leader in mortgages and a leading financial services provider by 2012.

### OUR MISSION



Build mutually profitable relationships anchored on a passion for excellence.

### OUR CORPORATE STATEMENT



We shall entrench ourselves by consistently delivering unmatched seamless services and products that exceed all expectations.

### OUR STAKEHOLDER FOCUSED THEMES



- Act on strong business principles
- Performance delivery with a long-term view
- Engage and relate with added value
- A dynamic and caring innovator

## COMPANY HISTORY



...built around you

ASO Savings and 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.

As a frontline player in the mortgage-banking sector of the Federal Capital Territory (FCT), we have achieved the following within our environs:

- Delivered social mortgages to numerous beneficiaries under the National Housing Fund Scheme.
- Built a deep and unsurpassed working knowledge of the FCT and now operate from Fourteen (14) branches and two cash centres within the FCT and its environs
- Developed five housing estates

## BRANCH NETWORK

### KADUNA

Kaduna Branch  
6A Bida Road/Yakubu Gowon Way, Kaduna

### KANO

Kano Branch  
Murtala Mohammed Way No 18, Opposite  
Daula Hotel, Kano

### LAGOS

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

### NIGER

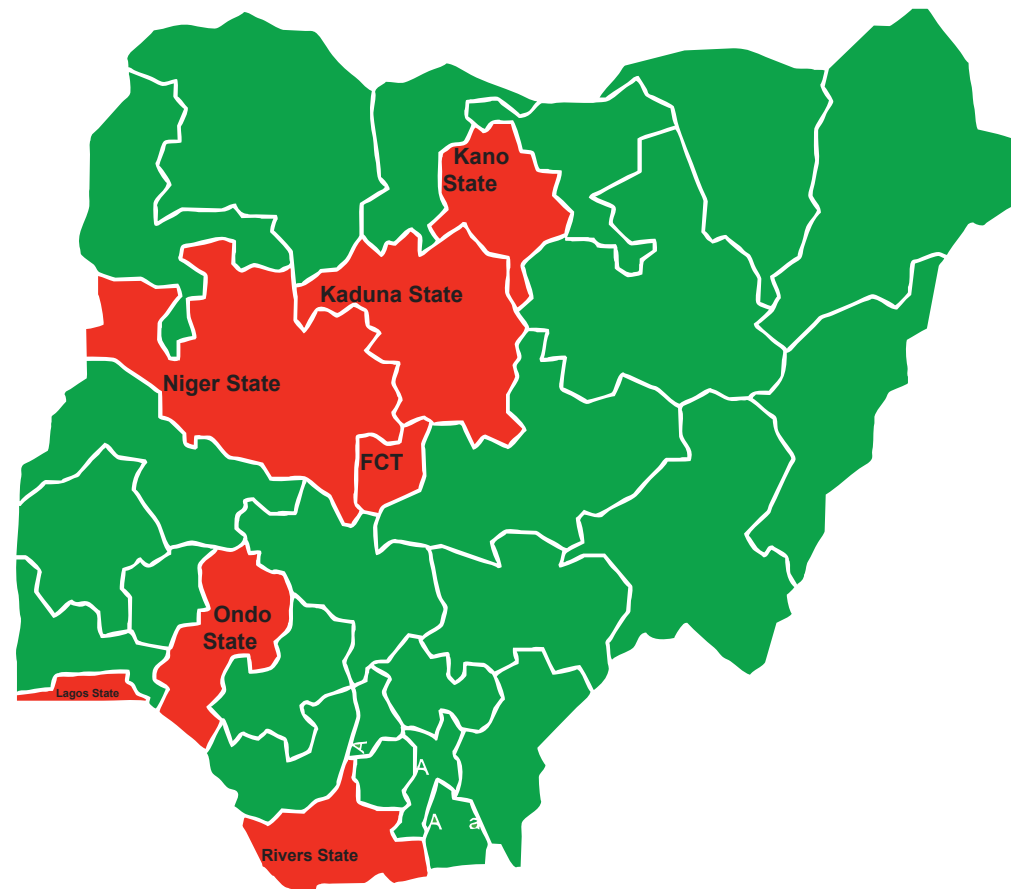
Minna Branch  
NICON Building, No.1 Bank road, Minna

### RIVERS

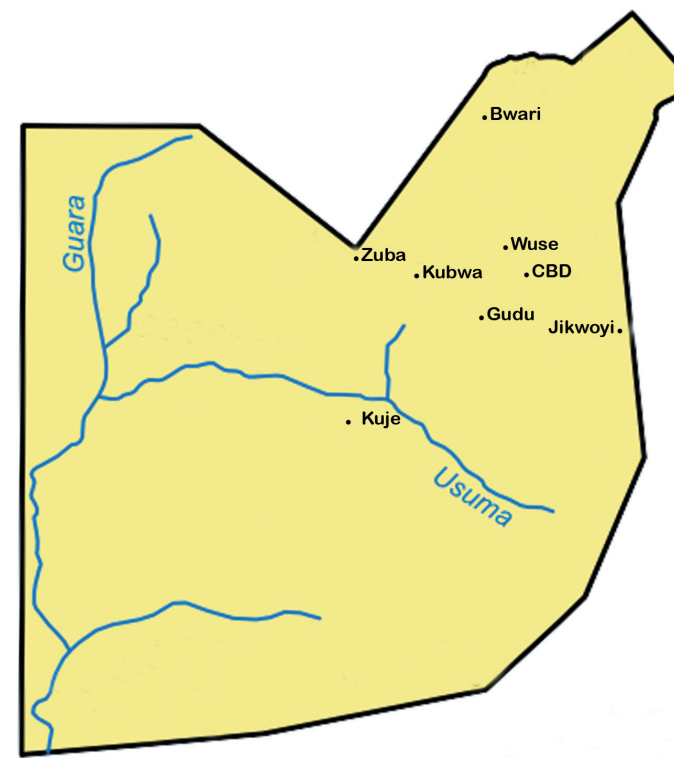
Port - Harcourt Branch  
No. 27, Aba Road, Beside PDP Secretariat,  
Port - Harcourt

### ONDO

Akure  
Tisco House, Alagbaka Akure



## THE FCT, ABUJA WITH OUR BRANCH NETWORK



### ABUJA

#### Corporate Head Office

Plot 266, FMBN Building, Cadastral Zone A0,  
Central Business District

#### Area 8 Branch

No.9 Ogbomosho Street, Area 8 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

#### Gudu Branch

Gudu Market

#### Jikwoyi Branch

Phase One, Near Jikwoyi Police Station, Jikwoyi

#### Kubwa Branch

Plot 185 Hamza Abudullahi Road Off Gado Nasko Street

#### Kuje Branch

Area Council Secretariat Road, Kuje

#### Mararaba Branch

Keffi/Nyanya Road, Mararaba, Nasarawa State

#### Wuse Branch

Wuse Market, Zone 6

#### Zuba Branch

Along Zuba Motor Park Road, Zuba

#### CASH CENTRES LOCATIONS

- Gwagwalada
- Mabushi



## OUR PRODUCTS

ASO Savings & Loans offers a wide range of personal banking products and services to help our customers manage their finances and money.

### OUR PRODUCTS INCLUDE:

- Regular Current Account
- Regular Savings Account
- ASO Plus Account (Savings Account)
- ASO Excel Account (A Hybrid of Current & Savings account)
- Flourish Account (Child Account)
- Fixed Deposit Account
- Overdraft/Term Loans

### REGULAR CURRENT ACCOUNT

#### FEATURES

- Opening account balance of N10,000.00
- Minimum balance of N1,000.00
- Automatic loan account

#### BENEFITS

- Free ATM/debit card with enrollment
- Access to E-banking services like SMS, ATMs and POS

### REGULAR SAVINGS ACCOUNT

#### FEATURES

- Opening account balance of N5,000.00
- Minimum balance of N1,000.00
- Direct cash deposit into your account
- Cash transfer from other accounts
- Lodgment of dividend warrants



## OUR PRODUCTS - INDIVIDUAL BANKING

### BENEFITS

- Encourages regular savings
- Provides instant access to savings
- Helps as emergency funds

### ASO PLUS ACCOUNT (SAVINGS ACCOUNT)

#### FEATURES

- Opening and minimum balance of N10,000.00
- Competitive Interest rate
- Zero COT
- Direct cash deposit into your account
- Cash transfer from other accounts
- Third party withdrawals through cheques
- Lodgment of dividend warrants
- Standing order transfer of money
- Personalised cheque book

#### BENEFITS

- It encourages regular savings
- It provides instant access to savings
- Helps as emergency funds
- Free ATM card and internet banking access

### ASO EXCEL ACCOUNT (HYBRID OF CURRENT & SAVINGS ACCOUNT)

#### FEATURES

- Opening & minimum balance of N100,000.00
- Zero COT subject to Maximum of 5 withdrawals monthly

#### BENEFITS

- Free ATM cards
- Free customized cheque books
- Non-borrowing account, but can use account statistics to support borrowing on another account
- A normal current account with savings account features

### FLOURISH ACCOUNT (CHILD ACCOUNT)

#### FEATURES

- Account only available to persons under 16 years old.
- Opening account balance of N5,000.00
- Interest rate above standard savings rate
- Waiver on charges for bank draft for payment of school fees
- Account can be used as collateral for loan (Borrowing Account) in the short term
- Access to school fees loan facility for parents (up to balance of account)
- Cheque and document warrant lodgment
- Standard order payment
- Converts to regular current account once child turns 16, or undergraduates from university (on application)

#### BENEFITS

- It encourages savings early in life
- ASO branded welcome packs
- Free Personalised Cheque books
- You can open an account for your child, niece, nephew or grandchild

### FIXED DEPOSIT ACCOUNT

This is an interest bearing account designed to give you the best return on your investment - so you can sit back and watch your money grow while you go on with your day-to-day activities.

#### FEATURES

- Minimum balance of N10,000.00
- Roll over option
- Maturity period ranges from 0-365 days to suit customer's investment plan.
- Attractive Yield Rate
- Auto renewal is provided
- Partial withdrawal is permitted on already running investment

#### BENEFITS

- Interest payable as per customer's convenience
- Wide range of tenures ranging 0-365 days to suit customer's investment plan
- Safe custody of fixed deposit certificate



## MORTGAGE BANKING

### OUR PRODUCTS INCLUDE:

ASO Commercial Mortgage Loan Facility  
Construction Finance Facility  
Debt Consolidation & Refinancing  
NHF Housing Scheme

### ASO Commercial Mortgage Loan Facility FEATURES

1. Interest Rate range between 22%-25%
2. Maximum of 70% loan on the amount of property
3. Tenure usually ranges between 5 -10 years

### CONSTRUCTION FINANCE FACILITY FEATURES

1. These Facilities are issued for the purpose of construction of properties.
2. Facility is characterized by moratorium (usually between 6 to 12 months on Interest repayments only)
3. Tenure is usually between the range 12 - 24

### DEBT CONSOLIDATION & REFINANCING

This is done by refinancing your mortgage and paying off existing loans. Consolidating one's debt into one easy monthly payment while securing the best possible mortgage rate on ones property:

### NHF HOUSING SCHEME

Established by Decree 3 of 1992, the aims and objectives of the fund as stated in Section 2 of the Decree, is as follows:

1. To mobilize funds for the provision of houses for Nigerians at affordable prices
2. Ensure constant supply of loans to Nigerians for building, purchasing and improvements of residential houses

3. Provide long-term loans to mortgage institution for on-lending to the contributors to the fund, etc.

### Benefits of the Scheme

1. Applicants can access a maximum of N5, 000,000.00.
2. 6% Interest rate is favorable
3. The tenure of the loan is highly favorable to an extent i.e. 60 minus the applicants age serves as the duration of the property
4. Applicants have the opportunity of owning a home



## SMALL BUSINESS BANKING

### HELPING YOU GROW YOUR BUSINESS

ASO Corporate Account  
ASO Excel Account (Hybrid of Current & Savings account)  
Fixed Deposit Account  
Business Overdraft  
Business Loans  
Asset Based Finance (Finance & Operation Lease)  
Vehicle Finance  
Schools Account  
Invoice Financing (Factoring)  
My House Account  
Other Services

### ASO CORPORATE ACCOUNT

#### FEATURES

- Finance LPO and APG/PG
- Technical support on business development

#### BENEFITS

- Access to bank's attractive Mortgage Products
- Attractive fixed deposit rate
- A normal current account with savings account features





## SMALL BUSINESS BANKING

### ASO EXCEL ACCOUNT (HYBRID OF CURRENT & SAVINGS ACCOUNT)

#### FEATURES

- Opening & minimum balance of N250, 000.00
- Zero COT subject to a maximum of 5 withdrawals monthly

#### BENEFITS

- Free ATM cards
- Free customized cheque books
- Non-borrowing account but can use account statistics to support borrowing on another account
- A normal current account with savings account features

### FIXED DEPOSIT ACCOUNT

#### FEATURES

- Minimum balance of N10, 000.00
- Roll over option
- Maturity period ranges from 0-365 days to suit customer's investment plan.
- Attractive Yield Rate
- Auto renewal is provided
- Partial withdrawal is permitted on already running investment

#### BENEFITS

- Interest payable as per customer's convenience
- Wide range of tenures ranging from 0-365 days to suit customer's investment plan
- Safe custody of fixed deposit certificate

### BUSINESS OVERDRAFT

#### FEATURES & BENEFITS

- Pay interest only on the amount you use
- Quick access to funds to take care of business eventualities
- A management fee will be applicable and is related to the amount you choose to borrow. All terms and conditions will be discussed with you before you take out the loan.

### BUSINESS LOANS

- Repayment configured to suit your business cashflow
- Borrow as little or as much as you need

### ASSET BASED FINANCE (FINANCE & OPERATION LEASE)

- Secured on the asset you purchase
- No further collateral required
- Flexible tenure

### VEHICLE FINANCE

- Repayment terms to suit your cash flow
- No collateral required

### SCHOOLS ACCOUNT

- Customised deposit slips for payment by students
- Liquidity management based on your expected cash flow
- School improvement and expansion credit

## SMALL BUSINESS BANKING

### INVOICE FINANCING (FACTORING)

- Predictable cash injection in your business for growth
- Business assets are used to finance your growth
- Invoices/ inventory used to secure the loan
- No other security required

### MY HOUSE ACCOUNT

- Minimum opening balance of N50, 000.00
- Flexible deposit option i.e. daily, weekly, monthly or quarterly
- Joint Savings permissible for couples
- Zero COT
- Allows deposit of other banks' cheques
- Minimum savings of 10% of property value to qualify for ASO's NHF Mortgage finance option
- Savings of up to 30% of property value in (6) months makes applicant eligible for all ASO's mortgage finance solutions
- My House account relationship terminates upon a 30 day prior notice by account holder of granting a mortgage facility whichever comes first

### OTHER SERVICES

- Commercial Real Estate Advisory
- Issuance of Bonds
- Issuance of Bank Guarantees
- LPO Financing
- Contract Financing
- Funds Management
- Financial Advisory and Consulting Services





## REAL ESTATE INVESTMENT BANKING GROUP

### REAL ESTATE INVESTMENT BANKING GROUP

The ASO Real Estate Investment Banking team focuses on Real Estate Investment and Financial Advisory Services. We source funding for project promoters to meet their funding requirements. By so doing we intermediate, incubate, syndicate and manage portfolio of funds. We also offer financial advisory services on real estate projects and carry out thorough due diligence in order to optimize returns on investment.

#### OUR PRODUCT OFFERINGS INCLUDE:

##### a. RESIDENTIAL AND COMMERCIAL REAL ESTATE FINANCE

The fact that real estate business will continue to be lucrative in Africa cannot be overemphasized, especially in Nigeria where population spurn daily and the quest for affordable houses is increasing, making housing demand outstrip its supply. For big ticket projects such as mass housing for the low income earners, we source offshore construction loans, giving room for affordability for project promoter(s) in terms of loan repayment and also a soft repayment on mortgages for the mortgagors.

##### b. LOAN SYNDICATION AND STRUCTURING

Considering the instability in the financial global market coupled with the possibility of a recurrent global economic turn down, we match "local funds" with "projects" to create liquidity in terms of earnings for the group and the bank at large. In this model we have an extensive project pipeline and match them with investor funds based on agreed return on investment.

##### c. FINANCIAL ADVISORY (COMMERCIAL AND RESIDENTIAL REAL ESTATE)

As a group, we see real estate investment as a sensitive investment decision and we go the extra mile at ensuring we guide project promoters/clients on their investment strategies by analysing

their project financials, putting accompanied investment risk into consideration and ensuring our clients make the right real estate investment decision.

##### d. INTEGRATED FINANCING

Today, real estate banks are no longer only creditors. In the last few years, in order to offer investors optimal financing in every instance, most classical mortgage banks developed into integrated financial service providers which combine real estate markets with capital markets know-how. Large investors operate globally - this means for us as a group that today, as a rule, bringing to the market large volume credit for commercial real estate, as structured financing. Then we spread the financing contributions out in various tranches - in Mezzanine loans.

##### e. BUY AND SELL MODEL (COMMERCIAL AND RESIDENTIAL)

As real estate business evolve, we are mindful of its appreciation rate and pedantically invest from pool of our portfolios by way of purchase of high yielding return residential estates backed with off takings.

##### f. BUILD AND SELL MODEL (COMMERCIAL AND RESIDENTIAL)

The build-then-sell concept we operate is essentially a 20:30:30:20 model whereby the house purchaser float a structured payment. 20% of the purchase price first and then pay the remaining in 30%, 30% and 20% of the purchase price upon the completion of the house with certificate of fitness issued. We float this model through our pool of funder(s) upon complete due diligence.

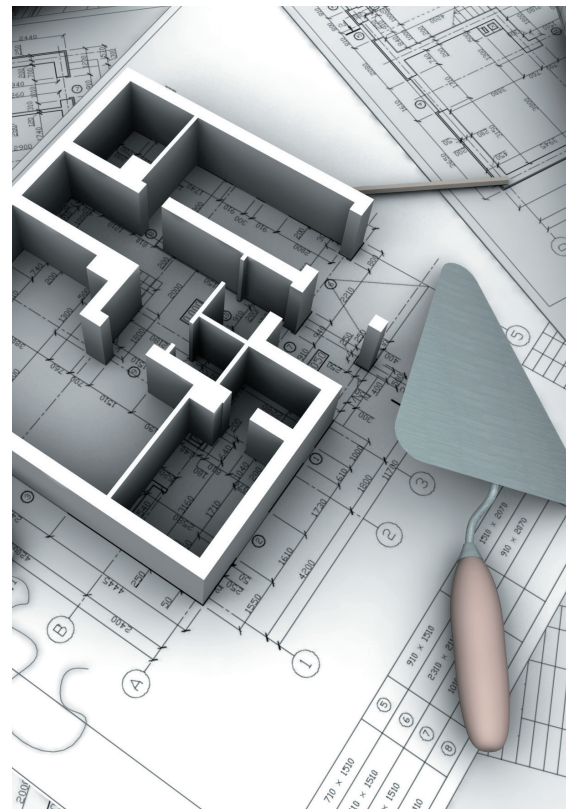
##### g. SELL AND BUILD MODEL (COMMERCIAL AND RESIDENTIAL)

The conventional sell-then-build require the purchaser to pay 20% of the purchase price upon

the signing of the sale & purchase agreement and the remaining 80% is progressively paid to the developer in accordance with term of payment according to stages of construction as stipulated in the sale & purchase agreement. The house purchaser can pay the developer by cash or bank loan. In essence, in the sell-then-build, the house buyer part finance the developer in the construction of the project and we basically syndicate loan on behalf of individual purchasers via the bank's pool or through our established strategic alliance with funding partners.

#### OTHERS SERVICES ARE:

- h. Deal underwriting and structuring
- i. Analysis of Lease documents
- j. Business plan modelling



## ASO SAVINGS AND LOANS PLC (RC: 283162) Notice of Annual General Meeting



NOTICE IS HEREBY GIVEN that the 11th Annual General Meeting of members of ASO SAVINGS AND LOANS PLC will be held at the LADI KWALI HALL, SHERATON HOTELS & TOWERS, ABUJA on Tuesday, November 3, 2009 at 11.00 a.m. to transact the following business:

#### Ordinary Business

1. To receive the audited accounts for the year ended March 31, 2009 together with the reports of the Directors, Auditors and Audit Committee thereon;
2. To declare a dividend;
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.

#### Special Business

7. That pursuant to Article 48 of the Company's Article of Association the Directors be and are hereby authorised to raise additional capital whether by way of public offering, private placement, rights offering, book building process or other methods, the issuance of corporate bonds in such tranches, series or proportions, at such coupon or interest rates, within such maturity periods, and on such other terms and conditions including the provision of security for repayment as the Directors may deem fit or determine, subject to obtaining the approvals of relevant regulatory authorities.
8. That the Directors be and are hereby authorised to enter into and execute any agreements, deeds, notices and any other documents necessary for and or incidental to effecting resolution 7 above.
9. That the Directors of the Company or any one of them for the time being be and are hereby authorised to appoint such professional parties and advisers and to perform all such other acts as may be necessary for or incidental to effecting the above resolutions 7 and 8 including without limitations complying with directives of any regulatory authority.

10. That the Directors are authorised to take any further action that may be required to give effect to the resolutions passed at the Annual General Meeting.

#### Proxy

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a Proxy to attend and vote in his stead. A Proxy need not also be a member. A proxy form is at the end of the financial statements. All instruments of proxy should be duly stamped at the Stamp Duties Office and deposited at the registered office of the Company or the Office of the Registrar, Plot 2, Abebe Village Road, Iganmu, Lagos not later than 48 hours before the time for holding the meeting.

#### Dividend Warrants

If the dividend recommended by the Directors is approved by members at the Annual General Meeting, the dividend warrants will be posted on November 10th, 2009 to members whose names appear in the Register of members at the close of business on Friday, October 9th, 2009.

#### Closure of Register of Members

The Register of Members and Transfer Books of the Company will be closed from Monday, 12th October to Wednesday 14th October, 2009 (both dates inclusive) for the purpose of payment of dividend.

#### Note

Any member may nominate a shareholder as a member of the Audit Committee by giving notice in writing of such nomination to the Secretary of the Company at least 21 days before the Annual General Meeting.

BY ORDER OF THE BOARD

**BILKISU RIMI**  
COMPANY SECRETARY



## CHAIRMAN'S STATEMENT



Fellow Shareholders, Invited Guests, Distinguished Ladies and Gentlemen, it is with great pleasure that I welcome you to the 11th Annual General Meeting of ASO Savings & Loans Plc (ASO), and present to you the Annual Report and Accounts for the financial year ended March 31st, 2009.

Before reviewing our financial performance for the year, I would like to review the operating environment within which we operated in the 2008/2009 financial year.

### 1. OPERATING ENVIRONMENT

#### 1.1. Global Economy

The financial year under review was plagued with a global economic and financial crisis, which was triggered by a loss of investor confidence in the value of securitized mortgages in the United States in July 2007. This resulted in a liquidity crisis that prompted a substantial injection of capital into financial markets by the United States Federal Reserve, Bank of England and the European Central Bank. By September 2008, the crisis had deepened, leading to a crash of the global capital markets. The major challenge was to monitor economic activity to ensure that demand did not loosen so much so, that it would affect the market dynamics. As a result, monetary and fiscal policies were adjusted to accommodate the liquidity challenges across economies. In spite of the efforts made, we witnessed the demise of many great financial institutions. Between January and March 2009 alone, over 25 banks and financial institutions failed in the United States.

#### 1.2. Domestic Environment

Nigeria was not excluded from the global crisis. The crisis meant lower demand for commodities, energy demand, declining crude oil prices, and depreciation of the naira, all of which translated to dwindling foreign reserves. The militant activity in the Niger Delta coupled with the global crisis, resulted in oil production underperforming, with current production level at 45% of Nigeria's OPEC quota. This does not augur well for the fiscal deficit Nigeria already has. With the state of the economy at large, we do not anticipate a reduction of the current N870billion budget deficit. As a further indication of the macroeconomic situation, the Economist Intelligence Unit project that GDP for Nigeria will be halved from 6.8% to 3%, and growth

rate will range between 3-3.5% in this financial year.

The Nigerian stock market was significantly adversely affected. A year -on -year review showed that the market had shed over 63% of its capitalization from March 31, 2008 to March 31, 2009.

The country experienced interest rate fluctuations as concerns over counterparty risks heightened, and the new reality of higher borrowing costs set in. As the central bank struggled to address this crisis, it reintroduced currency controls which led to the reemergence of a parallel forex market, multiple rates and market segmentation. We also saw the Central bank flip flop on the actual impact of the global economic meltdown, the impact of same both on our local economy, and the Nigerian stock market, on the decision to harmonise financial year end for the commercial banks and finally on the decision to disclose the bank's exposure on margin transactions. Investor confidence waned as regulatory intervention in the equities market to address the fundamental issues failed.

The impact of this global crisis was also felt by our organization. However, we are happy to report that we are weathering the storm. Our plans for our initial public offering to raise additional equity of N25billion, as approved by you at the last AGM, to further grow our business was stalled by the ailing global economy and its resulting effect on our domestic landscape. As the challenges of raising capital on the primary market crystallized, our alternate option of raising capital through a private placement was also impeded by the sustained erosion of market value and capitalization of the Nigerian Stock Exchange. Our discussion with debt financiers was also stifled by the crisis. The liquidity constraints of both domestic and international financial institutions that were in advanced discussions with us to provide debt financing and/or credit lines were significantly affected. Financial institutions generally became more circumspect and risk averse after the trauma of the corrosive effects of margin loans and other toxic risk assets. Hence, stay action from the various financial headquarters led to credit freeze on all fronts, and inability to draw down on lines previously approved.

## CHAIRMAN'S STATEMENT - Continued

The implementation of the Enterprise Risk Management in the financial year under review, allowed for objectivity and sound judgment, which ensured that we were not overly exposed to the stock market.

In a bid to strengthen the executive management of the bank, the Board witnessed some changes in the review period. The Board approved the appointment of Kudi Badmus, and Mohammed I. Shehu as Executive Directors on July 24, 2008, and September 25, 2008, respectively. Kudi has been with the bank for almost 3 years, and has had over 17years of financial sector experience spanning banking and Accountancy. She has managed every core division of commercial banking and banking operations, which makes her well equipped to sit on the board of ASO. Mohammed was the country Head of Operations for Citigroup Congo prior to joining ASO. Prior to joining ASO, he had spent his entire career in various roles and functions within Citigroup.

In addition, during the year, the Board also approved the appointment of Muhammad Jibrin as Executive Director effective July 24, 2008. Muhammad has since resigned effective March 31, 2009.

To foster a healthy corporate governance culture, several board committees were reconstituted while some new ones were created: Statutory Audit Committee, Credit Committee, Risk Management and Investment Committee, General Purpose Committee and a Compensation Committee.

During the financial year, we continued to strive to attain our vision of becoming a national leader in mortgages and a leading financial services provider by expanding our network of branches. We opened additional branches in the major cities of Kano, Lagos and Port Harcourt. ASO now boasts of 17 branches across the federation. To further boost our service delivery, we increased our electronic banking service offering to include SMS alerts and are currently working on including internet banking as one of our service delivery channels.

### 2. OPERATING RESULTS

Notwithstanding the global economic crisis, our company recorded a 43% growth in gross earnings rising to N10billion from N7billion in the reporting period. However, total assets and profit before tax decreased by 7% to N62billion from N67billion, and by 15% to N1.1billion from N1.3billion respectively. This was directly attributable to the stresses in the Nigerian financial markets which resulted in the general increase in the cost of funding, as well as challenges in accessing wholesale funds for medium term purposes.

Our focus is to continuously improve our fundamentals, and explore alternative funding sources to ensure that we deliver exceptional returns to our stakeholders. As a result, we have taken this time to review our in-

ternal processes, strengthen our bank wide oversight in risk management, internal audit, internal control, treasury and compliance functions.

### 3. FUTURE OUTLOOK

We are cautiously optimistic about the recovery of the global economy. We anticipate that recovery will start in emerging economies such as China with a trickle-down effect to other economies across the globe, and this will ultimately change the dynamics of the roles of the U.S. as the world power. There are signs of recovery in Asia, U.S, and some of the Euro zone countries. Commodity prices will slowly recover from their depressed state as demand increases, and this will eventually stimulate the recovery of oil dependent economies like Nigeria.

Domestically, we expect to see signs of recovery of our Nigerian economy by the end of the financial year. With the appointment of the new CBN Governor, Lamido Sanusi and his background in risk management, we anticipate a more risk management driven regime. As seen in the global economies, we anticipate another round of reforms and possible mergers and acquisitions in the banking sector. We believe that these reforms will reverberate throughout the entire financial services sector to include the mortgage and insurance sectors. Minimum capital requirements may be increased and barriers to entry may be lifted to allow foreign participation in these sectors.

As we all grapple with the aftermath of the global crisis, ASO remains focused on our long term objective to be the clear cut national leader in mortgages, as well as a major financial services provider operating nationwide, commanding profitable and dominant market share.

We plan to continue to entrench branches in other cities of the Federation. Before the end of the current financial year, we project that we would have a presence in Benin, Aba, Ilorin, as well as other branches in Lagos. We would further develop our electronic banking offering to include internet banking to offer even more convenience to our customers and continue to emphasize on our commitment to excellent service delivery through continuously training of our staff.

In this financial year, we will invest in deploying an Enterprise Performance Management System (EPMS), which will ensure that we deliver excellent results by creating a culture of accountability across all levels of the organization. We also continue to build capacity and skill where there are gaps.

We will focus on growing our core mortgage business by building capacity and identifying opportunities through our internal property development unit, partnering with external real estate developers as deemed necessary throughout their value chain, and continue to expand our reach to individual customers and partners by providing mortgages to meet their housing needs.



## CHAIRMAN'S STATEMENT - Continued

In the coming year, the Board and Management of ASO are committed to ensuring that the vision of the company is achieved. Our goal is to stay focused on the mortgage business as we anchor our strength to stimulate the growth of the secondary market, and further deepen the mortgage industry in Nigeria. As planned in the last financial year, we will embark on capital raising exercise in this financial year either through debt or equity instruments to grow our business. In addition, we will further intensify our efforts to stimulate the growth of the secondary mortgage market by creating Mortgage Backed Bonds and/or securitisation of existing mortgages to support the growth of our mortgage business. 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.

### 4. CONCLUSION

I wish to express my sincere gratitude to all the management and staff for their diligence, hard work, and commitment in the challenging year we have just come through. I also commend my colleagues on the Board for their cooperation, commitment, and time in ensuring that ASO achieves its goals.

Thank you,



**Abdu Mukhtar**  
Chairman, Board of Directors



## MANAGING DIRECTOR/CHIEF EXECUTIVE'S REVIEW

### 1. INTRODUCTION

The year under review has been one of challenges brought about primarily by the global financial crisis. This has also led to constrained resources, liquidity challenges, and failing institutions both globally and domestically. In spite of the above, ASO was able to withstand the turmoil, use the opportunity to build capacity, and position itself to take advantage of opportunities that are sure to present themselves to us as the global, and our domestic, economy recover.

### 2. COMMITMENT TO EXCELLENCE

ASO's commitment to being a world class institution was evident during the period under review as we were able to reasonably sustain the momentum and maintain our focus of being the national leader in mortgages. In the last financial year, the management and board pledged their commitment to investment in human capital, cutting edge technology, upgraded services and standards, processes, and expanding footprint nationwide. In spite of the macro economic situation, these key milestones were widely achieved.

### 3. MILESTONES

As a testament to weathering the storm of the last financial year, during the financial year under review, ASO secured a five year \$5million line of credit from Shelter Afrique, a development finance institution to finance housing developments in Nigeria. In addition, ASO secured a N2.5 Billion construction finance facility from Unity Bank to further facilitate the growth and development of the housing sector in Nigeria. Finally ASO secured a N930 Million refinance facility which allowed us to efficiently leverage on our balance sheet in creating more assets.

From a product perspective, our goal is to have initiatives that suit every of our customer's needs. We have set up an in-house product development team. The team is made up of staff from all areas of our business that interacts with our customers, to ensure that we factor in their requirements when creating products. In the financial year under review, we launched 2 new products: My House Account - for customers who desire to own a home and Flourish Account - targeted at parents with children. We are happy to report that these have been successes as the

market has responded positively by opening accounts.

### 4. OVERCOMING CHALLENGES

The main challenge the entire financial services industry encountered in the financial year under review was liquidity. As the ripple of the global crisis was felt in Nigeria, the country experienced interest rate fluctuations, concerns over counterparty risks heightened, and the result was higher borrowing costs, which significantly impacted our ability to extend mortgages at affordable rates. We are however working with our local and international partners to create new funding lines that will allow us to deliver affordable mortgages to you, our customers.

In the new financial year, we intend issuing a mortgage backed bond, and subject to the vicissitudes of the Stock Market, raising new equity. The capital raising exercise will place us in a significantly stronger position to leverage our network and consolidate our position as the nation's premier mortgage provider.

### 5. ASSET MANAGEMENT COMPANY

ASO is in advanced discussion with the intent to enter into a joint venture with Swiss Capital Corp, an investment banking firm with contractual relationships in leading capital markets and major financial institutions worldwide. The joint venture's focus will include assets and portfolio management, managed funds, wealth management, financial advisory services e.t.c. We project that the joint venture agreement will be duly executed and subject to regulatory approval, the company will be operational by the end of the 2009/2010 financial year.

### 7. NETWORK EXPANSION

During the financial year in review, we successfully opened 7 branches in Abuja (2), Kaduna, Minna, Kano, Port Harcourt and Lagos, to further enhance our market penetration and deepen our retail market for the convenience of our customers. We have further plans to expand our network of branches to Aba, Benin, Ilorin, and other locations in Lagos in the new financial year. To compliment on the existing infrastructure, we enhanced our electronic banking platform from ATM services to include SMS alerts, and will continue to work with our service providers to provide a full-fledged internet banking bouquet to our customers.





## MANAGING DIRECTOR/CHIEF EXECUTIVE'S REVIEW - continued

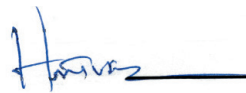
### 8. CORPORATE SOCIAL RESPONSIBILITY

ASO continues to demonstrate commitment towards the social development of our immediate community. Our focus over the years has been, and continues to be, the support of the primary education and health sectors particularly in the FCT. During this financial year, we supported various Non-Governmental Organizations, educational institutions and charity organizations.

### 9. CONCLUSION

As we embark on the year that lies ahead, it is important to fully understand the fundamentals that brought the global economy to its knees, and ensure that our domestic economy and our company addresses the flaws it brought to the fore. We expect that there will be new regulatory requirements to address these issues, and pockets of turbulence ahead, however, ASO is committed to staying the course, remaining focused, as we chart the path that lies ahead.

Thank you,



Hassan Musa Usman  
Managing Director/CEO



...built around you

## RISK MANAGEMENT AND CONTROL

### INTRODUCTION

In delivering superior shareholder value, we are continuously exposed to various risks inherent in all aspects of our services, products and functions. Risks are an integral part of ASO's business. ASO shall not seek to avoid risk, but to understand them, evaluate them in the context of the reward earned and manage them effectively. Our focus will be on producing high-quality earnings that are sustainable, protecting our brand equity and the interest of our shareholders, depositors and all other stakeholders. We believe that, adopting an Enterprise Risk Management (ERM) approach will enhance our abilities to achieve this.

Responsibility and accountability for risk management resides at all levels within the group, from executive down through the organization to each business manager and independent (of business line) risk officers.

### ENTERPRISE RISK MANAGEMENT

At the January 2009 board meeting, the board approved a set of risk governance standards, mandates, policies and procedures to give effect to the bank's Enterprise Risk Management (ERM) framework. The ERM is designed to assist management to align risk appetite and strategy, enhance risk response decisions, reduce operational surprises and losses, identify and manage risks, provide integrated responses to multiple risks, seize opportunities and improve deployment of capital. (The ERM is designed to ensure that, in the execution of the bank's business strategy, there is consistent approach to the identification, measurement, management and reporting of risk within agreed levels of risk appetite, on a basis which is consistent with ASO's ERM framework).

### CREDIT POLICY

The Credit policy outlines the fundamental credit principles, disciplines and standards for credit origination and general management of credit risks within the company. The policy applies to all units in ASO Savings and Loans Plc and is adhered to regardless of geography, counterparty and product. The policy establishes a framework for continuing review and updating of the policies and principles governing the origination and management of credit risk across the enterprise;

### ASSET/LIABILITY MANAGEMENT

This Asset/Liability Management ("ALM") Policy ("the Policy") deals with the strategic management of Aso Savings and Loans Plc's balance sheet. This is aimed at achieving sustained growth, maximizing shareholder's value and increasing profitability and capital. It involves a multiplicity of management activities and responsibilities, including the formulation of long-term strategic goals and objectives and the management of various risks including liquidity risk and market risk. The Board of Directors ("the Board") believes that accepting some level of these risks is necessary in order to achieve realistic profit goals.

### COMPLIANCE RISK

The primary responsibility of the Compliance Risk Management function in the company is to ensure that the company carries out its activities within the confines of relevant regulations and standards. This is achieved through a robust framework and clearly defined processes for the identification, assessment, control, monitoring and reporting of all factors that may prevent the Company from achieving its compliance objectives.

### CONTINGENCY PLAN

The contingency plan provides a framework within which an effective response to a liquidity crisis can be managed. Specifically, the plan helps management to monitor liquidity risk, ensure that an appropriate amount of liquid assets is maintained, measure and project funding requirements during various scenarios and manage access to funding sources, so as to protect depositors, creditors and shareholders.

### CORPORATE GOVERNANCE STRUCTURE

The bank has a sound corporate governance structure framework which ensures oversight by the board and senior management. The bank's risk governance structure comprises three distinct layers. Layer 1 consists of the board and various board committees. Layer 2 consists of management committees. Layer 3 consists of risk management responsibilities per risk area.

### THE BOARD OF DIRECTORS

The foundation for all the components of the risk management process and the system of internal control. It defines management's philosophy and its general concern about the establishment and maintenance of controls. The board has ultimate responsibility for risk management in ASO. This includes the evaluation of key financial and non-financial risk areas and ensuring that the Company implements and maintains effective processes for risk management and systems of internal control. The key financial and non-financial risk areas include credit, market, liquidity, operational and compliance risks. The bank's risk governance structure comprises three distinct layers. Layer 1 consists of the board and various board committees. Layer 2 consists of management committees. Layer 3 consists of risk management responsibilities per risk area.

### BOARD RISK MANAGEMENT AND INVESTMENT COMMITTEE

The BRIC provides appropriate advice and recommendations on matters relevant to market and liquidity risk, operational and compliance risk management.

### AUDIT COMMITTEE

The committee is saddled with the responsibility of assessing the adequacy



## RISK MANAGEMENT AND CONTROL - Continued

and scope of internal controls and audits of the financial statements and overall compliance.

### BOARD CREDIT COMMITTEE

The Board Credit Committee facilitates the effective management of credit risk by ASO by approving credit risk appetite and portfolio strategy; new credit products and processes;

### ROLES OF MANAGEMENT COMMITTEE

The Management Committee oversees the implementation of the risk management policy, processes and procedures as approved by the Board of Directors.

### RISK MANAGEMENT COMMITTEE (RMC)

The Company's Risk Management Committee is responsible for managing all risks with the exception of (credit risk). The risks within the committee's purview includes (but not limited to) Market, Strategic, Reputational, Compliance, and Operational risks.

### MANAGEMENT CREDIT COMMITTEE

The Management Credit Committee (MCC) shall be responsible for managing credit risks in the Company. The Committee focuses on the management of the Company's exposure to credit risk.

### ASSET AND LIABILITY COMMITTEE (ALCO)

ALCO is responsible for market and liquidity risk management.

### APPROACH AND STRUCTURE OF THE RISK DEPARTMENT

Our aim and approach to our risk department aims to operate a first class strategic function that supports efficient and optimal business growth while minimizing the Company's exposure to unexpected risk. In defining our approach and structure, due consideration has been given to

- a) Changes in the operating environment;
- b) The Company's desire to position itself as the Primary Mortgage Institution (PMI) of choice in the unfolding Nigeria mortgage landscape. This imposes on us the responsibility of a disciplined approach to business in compliance with best practice guidelines; Our approach and credit risk philosophies are defined by our board and management to form the bedrock of our credit process irrespective of the interest of any individual. Beginning with strategic asset portfolio planning through exposure development and creation, exposure management, delinquency management and loan work-out/recovery.

The relationships between Risk Management Division (RMD) and other units are as follows:

- Set policies and define limits for other units in the Company ;
- Perform Company -wide risk monitoring and reporting;
- Receive relevant data from other units for risk monitoring and reporting;
- Participate in new product design and development;
- Co-ordinate activities to provide a holistic view of risks across the Company and;
- Information Technology shall provide relevant user support to the RMD in respect of risk management software

### MAJOR RISK CATEGORIES

The bank's enterprise risk management framework is a structured approach to identifying opportunities, assessing the risk inherent in these opportunities and managing these risks proactively in a cost effective manner. The key elements of the bank's ERM framework are as follows: the risk philosophy, culture and objectives; the risk management governance framework; articulation of the bank's risk management stakeholders and development of an action plan to meet their risk management expectations; and establishment of policies and procedures to identify, measure, monitor, report and control the risks the bank faces. Overall, all the principal risks to which the bank is exposed are well identified, measured and controlled in accordance with the principles of the ERM framework established by the bank.

### TOP ELEVEN RISKS IN ASO

In ASO we have identified the top eleven risks the company is facing. These are liquidity, external fraud, business disruption & systems failure, execution, delivery & process management, credit default, internal fraud, competitors, capital availability, credit concentration, credit reporting and regulatory.

### MAJOR RISK CATEGORIES

#### CREDIT RISK

Credit risk is the risk of loss due to an obligor's nonpayment of a loan or

## RISK MANAGEMENT AND CONTROL - Continued

other line of credit either the principal or interest (coupon) or both. Credit risk comprises counterparty risk, settlement risk.

**COUNTERPARTY RISK:** Is the risk of loss to ASO plc as a result of failure by the counterparty to meet its financial and or contractual obligations to the bank. It has three components:

- Primary credit risk which is the exposure at default (EAD) arising from lending and related banking products activities.
- Pre-settlement credit risk which is the EAD arising from unsettled forward transactions, arising from the default of the counterparty to the transaction and measured as the cost of replacing the transaction at the current market rates;
- Issuer risk which is the EAD arising from traded credit and equity products.
- Mortgage risk which is the EAD arising from the possibility that a mortgagor will fail to make timely principal and interest payments in accordance with the terms of the mortgage.

### OPERATIONAL RISK

Operation risk arises as the risk of loss resulting from inadequate or failed processes, people systems (including information technology and infrastructure), fraud, sabotage or external events.

The definition of operational risk also includes;

- Legal risk – the risk that the bank will be exposed to litigation;
- Compliance risk – the risk that the bank does not comply with applicable laws and regulations or supervisory requirements.
- Taxation risk – the risk that the bank will sustain a financial loss due to incorrect interpretation and application of taxation legislation or due to the impact of new legislation on existing business.

### LIQUIDITY RISK

Liquidity risk arises when a bank is unable to meet its payment obligations when they fall due. This may be caused by the bank's inability to liquidate assets or to obtain funding to meet its liquidity needs.

### MARKET RISK

Settlement risk is the risk of loss to ASO plc from transaction settlement failing so that where value is exchanged; the counter value is not received in whole or part.

### CONCENTRATION RISK:

Refers to any single exposure or group of exposures large enough to cause credit losses which threaten ASO's capital adequacy or ability to maintain its core operations. It is the risk that a common factor within the risk type or across risk types moves adversely or an event occurs which causes credit

losses.

### CONCLUSION

Risk management is central to corporate governance. The board of directors is primarily responsible for deciding on the criteria which it wishes to fulfill. Board members in the bank cannot escape the obligation (legal, regulatory, moral) to understand the risks over which they preside. Risk management is also the responsibility of the management team in fulfillment of the board's directives. Different types of risk interact with one another, so risk management needs to be coordinated. In view of the opportunities for internal defalcation, unblemished standards of honesty are required in bank employees. Staffs are compelled to take regular holidays, and jobs are rotated to minimize any temptation to defraud the bank.



...built around you



**DIRECTORS AND ADVISERS FOR THE YEAR ENDED  
MARCH 31, 2009**

**DIRECTORS:**

Abdu Mukhtar	Chairman
Olatunde Ayeni	Vice Chairman
Collins C. Chikeluba	Director
Joshua Audu Makori	Director
Abdullahi Bappa Ahmed	Director (Resigned April 6, 2009)
Hassan Musa Usman	Managing Director/Chief Executive Officer
Kudi Badmus	Executive Director (Appointed July 24, 2008)
Mohammed I. Shehu	Executive Director (Appointed Sept 25, 2008)
Muhammad Jibrin	Executive Director (Resigned March 31, 2009)
Maimuna Aliyu	Executive Director (Appointed April 8, 2009)

**COMPANY SECRETARY/  
LEGAL ADVISER**

Bilkisu Rimi

**REGISTERED OFFICE:**

FMBN Building  
Plot 266 Cadastal zone AO Central Business District Abuja  
Tel: 09 - 2345156-8 Fax:09-2345159

**AUDITORS:**

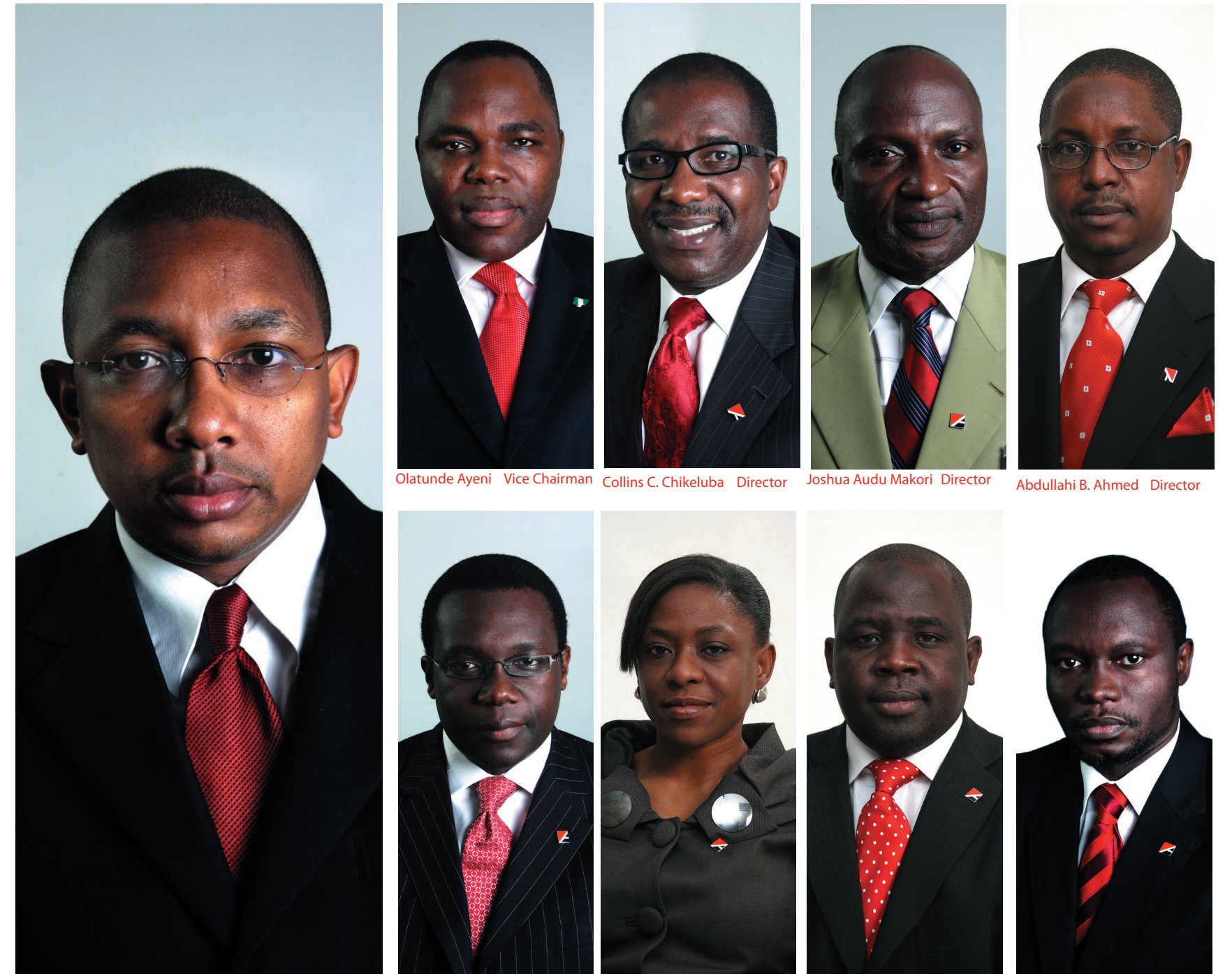
**Ernst & Young** [Chartered Accountants]  
2A, Bayo Kuku Road, Ikoyi, Lagos.

**Aminu Ibrahim & Co.** [Chartered Accountants]  
City Plaza  
Plot 596 Ahmadu Bello way Garki II, Abuja

**REGISTRARS:**

First Registrars  
Plot 2, Abebe Village Road Iganmu  
P. M. B. 12692  
Lagos

**DIRECTORS**



Abdu Mukhtar

Chairman

Hassan Musa Usman M/D CEO

Kudi Badmus Executive Dir.

Muhammad Jibrin Executive Dir.

Mohammed Shehu Executive Dir.

Olatunde Ayeni Vice Chairman

Collins C. Chikeluba Director

Joshua Audu Makori Director

Abdullahi B. Ahmed Director



## REPORT OF THE DIRECTORS FOR THE YEAR ENDED MARCH 31, 2009

The Directors have pleasure in presenting to the members of bank their report and the audited financial statements for the year ended March 31, 2009.

### CORPORATE STRUCTURE AND BUSINESS

The 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 Liability Company on September 22, 2005. It is wholly owned by Nigerian corporate and individual citizens.

### RESULT

The Bank's results are shown as follows:

	<b>2009 N'000</b>
Profit after taxation	873,481
Less: Appropriations	
Transfer to statutory reserve	<u>(174,696)</u>
Retained profit for the period transferred to general reserve	<u>698,785</u>

### PRINCIPAL ACTIVITIES

The Bank engages in the business of mortgage banking and other banking services as listed in previous pages, in all its branches.

### STATE OF AFFAIRS

In the opinion of the Directors, the state of the 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 9 to the financial statements.

## REPORT OF THE DIRECTORS - Continued

### SCHEDULE SHOWING DATES AND DETAILS OF CHANGES TO THE AUTHORIZED AND PAID-UP CAPITAL SINCE INCORPORATION

Date	Authorized Share Capital		Issued/Paid Up Share Capital		Remarks
	Increase	Cumulative	Increase	Cumulative	
09/11/95	-	40,000,000	-	16,000,000	Cash
21/08/96	-	40,000,000	4,125,000	20,125,000	Cash
27/10/98	-	40,000,000	10,000,000	30,125,000	Cash
31/03/99	110,000,000	150,000,000	6,139,000	36,264,000	Cash
31/03/00	-	150,000,000	11,092,000	47,356,000	Cash
31/03/01	-	150,000,000	6,958,661	54,314,661	Cash
04/02/02	-	150,000,000	52,924,969	107,239,630	Bonus
31/03/06	350,000,000	500,000,000	-	107,239,630	-
29/06/06	-	500,000,000	-	107,239,630	-
03/08/06	200,000,000	700,000,000	-	107,239,630	-
27/09/06	2,000,000,000	2,700,000,000	2,000,000,000	2,107,239,630	Cash/Private Placement
27/09/06	2,300,000,000	5,000,000,000	2,232,334,708	4,339,574,338	Cash/Private Placement
12/02/08	5,000,000,000	10,000,000,000	4,339,574,338	8,679,148,676	Stock Split to 50k par value

### DIRECTORS' INTERESTS:

The interest of the Directors in the issued share capital of the Bank as recorded in the register of Director's holding as at March 31, 2009 are as follows:

NAMES	UNITS
Joshua Audu Maikori	5,031,328
Usman Hassan	21,266,000
Collins Chikezie Chikeluba	400,000,000
Olatunde John Ayeni	470,000,000
Kudi Badmus	11,912,000
Muhammad Jibrin	14,316,000



## REPORT OF THE DIRECTORS - Continued

**Directors' Interests:** As At March 31, 2008

NAMES	UNITS
Joshua Audu Maikori	5,031,328
Usman Hassan	21,266,000
Collins Chikezie Chikeluba	400,000,000
Olatunde John Ayeni	470,000,000
Jummai Agatha Kwanashie	100,000

### SHAREHOLDERS WITH 5% AND ABOVE HOLDINGS

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

Apart from the shareholders listed above, no other shareholder holds 5% or more share holding in the company.

### RESPONSIBILITIES OF DIRECTORS

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 and Bank and Other Financial Institutions Act CAP B3 Law of the Federation of Nigeria. Directors are responsible for the preparation of financial statements which give a true and fair view of the state of affairs of the Bank as at the end of the financial year and of its profit and cash flows for the year and comply with the provisions of the Act. These responsibilities include ensuring that:

- adequate internal control procedures are instituted to safeguard assets and prevent and detect fraud and other irregularities;
- proper accounting records are maintained;
- applicable accounting standards are followed;
- suitable accounting policies are used and consistently applied;
- the financial statements are prepared on a going

**Directors' Interests:** As At July 29, 2009

NAMES	UNITS
Joshua Audu Maikori	5,031,328
Usman Hassan	21,266,000
Collins Chikezie Chikeluba	400,000,000
Olatunde John Ayeni	470,000,000
Kudi Badmus	11,912,000

concern basis unless it is inappropriate to presume that the Company will continue in business.

### EMPLOYEE INVOLVEMENT

The Bank is committed to keeping employees fully informed as far as possible regarding the 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 Bank's major assets and investment in developing such skills continues.

### EMPLOYMENT OF DISABLED PERSONS

No disabled person was employed by the Bank during the year. It is however the Bank's policy to consider disabled persons for employment if academically and medically qualified.

## REPORT OF THE DIRECTORS - Continued

### HEALTH, SAFETY OF EMPLOYEES

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

### DONATION

The Bank made contributions to charitable and educational organizations in Nigeria during the year amounting to N700,000

The following were made during the year:

S/NO	CONTRIBUTIONS	AMOUNT
1	Gyuaimen Center, Kwoi, Jaba Local Government, Kaduna	50,000.00
2	Anglican Communion of Abuja (Donations to Widows)	300,000.00
3	Alder Charity Fund Raising for SOS Children's Village etc in Lagos	250,000.00
4	Donations in support of burn victim (Mrs. Akachukwu)	100,000.00
	<b>TOTAL</b>	<b>700,000.00</b>

### AUDITORS

Messrs Ernst & Young and Aminu Ibrahim & Co. were appointed during the year, and having expressed their willingness, will 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

July 29, 2009

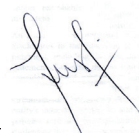


## REPORT OF THE AUDIT COMMITTEE TO THE MEMBERS OF ASO SAVINGS & LOANS PLC

In accordance with the provisions of Section 359(6) of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria, 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, and acknowledge the cooperation of management and staff in the conduct of these responsibilities.
- We are of the opinion that the accounting and reporting policies of the 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 March 31, 2009 were satisfactory and reinforce the Bank's internal control systems.
- The management complied with the provisions of Central Bank of Nigeria Circular BSD/1/2004 dated February 18, 2004 on "Disclosure of insider related credits in the financial statements of banks", and hereby confirm that an aggregated amount of N7.9 billion was outstanding as at March 31, 2009 of which N531 million was non-performing. See Note 39 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 cooperation was received from management in the course of their statutory audit.



Ibrahim Oruma  
Chairman, Audit Committee

## 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 sheets as at March 31, 2009 and the profit and loss accounts and cash flow statements for the year then ended and a summary of significant accounting policies on page 33 and other explanatory notes on pages 41 to 70

### Management's Responsibility for the Financial Statements

The management is 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.

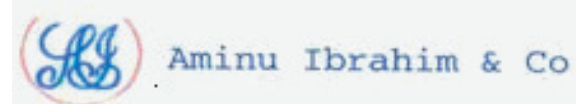
### Auditor's Responsibility

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 and Nigerian Standards on Auditing issued by the Institute of Chartered Accountants of Nigeria, 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 TO THE MEMBERS OF ASO SAVINGS & LOANS PLC - Continued



### 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 2009, and of its financial performance and its cash flows for the year then ended in accordance with relevant accounting standards issued by the Nigerian Accounting Standards Board, relevant circulars issued by the Central Bank of Nigeria, Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria and the Banks and Other Financial Institutions Act, CAP B3 Laws of the Federation of Nigeria.

### Report on Compliance with Banking Regulations

We confirm that our examination of loans and advances was carried out in accordance with the Prudential Guidelines for Licensed Banks issued by the Central Bank of Nigeria.

Related party transactions and balances are disclosed in note 39 to the financial statements in accordance with Central Bank of Nigeria Circular BSO/1/2004.

### Contraventions

No contravention of the Banks and Other Financial Institutions Act, CAP B3 Laws of the Federation of Nigeria was brought to our attention during the audit of the financial statements for the year ended March 31, 2009.

*Ernst & Young*



Lagos, Nigeria  
July 29, 2009

*Aminu Ibrahim & Co.*



Abuja, Nigeria  
July 29, 2009

## STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED MARCH 31, 2009 - Continued

The accounting policies adopted in the preparation of these financial statements are set out 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 Nigerian Accounting Standards Board.

### b) Fixed Assets

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

	%
Building	5
Office furniture, fitting and equipment	20
Computer-equipment	33.3
Motor vehicles	25
Plant and 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

Credit facilities are stated after deduction of provision against debts considered doubtful of recovery. They are classified as either performing or non-performing. Non-performing are those with principal and/or interest payment obligation in arrears for over three months. Specific provision are made on all non-performing balances and 1 % general provision on performing balances in line with Central Bank of Nigeria's prudential guidelines.

Provisions are applied to write off advances when securities have been realized and further recoveries are considered to be unlikely. When securities are realized, the loan provisions previously suspended are released as income in the profit and loss account in the period realization.

### 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. Short term investments are carried at the lower of cost and net realisable value.

### (f) 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.

### g) Deferred Taxation

Provision for deferred taxation is made by the liability method and calculated at the current rate of taxation on the difference between the net book value of qualifying fixed assets and their corresponding tax written down value.

### h) 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.

### i) Off Balance Sheet transactions

Transactions to which there are no direct balance sheet risks to the bank are reported and accounted for as off balance sheet transactions and shown by way of notes to the financial statements. They comprised of certain mortgage loans that have been assigned but still being administered by the Company for a fee are reported as off balance sheet transactions. The company bears no risk for these loans and as such no provision for doubtful debt is made.

The fees earned as administrator of the loans are accrued for and included in other income in the profit and loss account.



**FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED  
MARCH 31, 2009**

	March 31, 2009	March 31, 2008	Increase/ (decrease)
	₦'000	₦'000	%
<b>Major balance sheet items:</b>			
Total assets	62,786,922	67,278,141	-7
Deposit and current accounts	48,807,519	45,298,764	8
Share capital	4,339,574	4,339,574	0
Loans and advances	36,033,261	29,893,700	21
Shareholders' funds	5,477,533	5,038,009	9
<b>Major profit and loss account items:</b>			
Gross earnings	10,090,144	7,063,135	43
Provision for doubtful accounts	870,519	641,957	36
Profit before taxation	1,136,809	1,331,982	-15
Taxation	251,960	270,216	-7
Profit after taxation	873,481	1,061,766	-18
<b>Dividend:</b>			
- Proposed		-	
- Declared	-	433,957	
<b>Information per 50k ordinary share:</b>			
<b>Earnings:-</b>			
- Basic (kobo)	10.06	33.60	
Net assets (N)	0.63	0.58	

**FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED  
MARCH 31, 2009 - Continued**


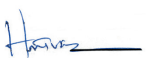
	March 31, 2009	March 31, 2008
	₦'000	₦'000
Total assets:		
- actual (N)	7.23	7.75
Stock Exchange quotation	0.95	4.24
<b>Ratios:</b>		
	%	%
Cost to income	89	81
Return on assets	1	2
Return on shareholders' funds	16	21
Capital adequacy		
Number of branches/agencies	14	10
Number of staff	308	309
Number of shares in issue (thousand)	8,679,148	8,679,148



**BALANCE SHEET  
AS AT MARCH 31, 2009**

	Note	31 March 2009 N'000	31 March 2008 N'000
<b>ASSETS</b>			
Cash and short-term funds	2	320,767	113,863
Due from banks and other financial institutions	3	7,786,327	9,006,912
Placements	4	15,241,136	26,271,422
Long term investments	6	157,870	157,870
Loans and advances	7	36,033,261	29,893,700
Other assets	8	1,955,828	1,040,555
Deferred tax	14	19,345	-
Fixed assets	9	1,272,388	793,819
<b>TOTAL ASSETS</b>		<b>62,786,922</b>	<b>67,278,141</b>
<b>LIABILITIES</b>			
Deposit and current accounts	10	48,807,519	45,298,764
Due to other banks	11	620,000	7,722,294
Tax payable	12	470,171	189,289
Other liabilities	13	2,716,652	4,643,897
Deferred tax	14	-	80,927
Long-term borrowing	15	4,695,047	4,304,961
		57,309,389	62,240,132
<b>CAPITAL AND RESERVES</b>			
Share capital	16	4,339,574	4,339,574
Statutory reserve	17	457,509	282,813
General reserve	18	680,450	415,622

**BALANCE SHEET  
AS AT MARCH 31, 2009 - Continued**

	Note	31 March 2009 N'000	31 March 2008 N'000
<b>SHAREHOLDER'S FUNDS</b>		<b>5,477,533</b>	<b>5,038,009</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>		<b>62,786,922</b>	<b>67,278,141</b>
Off balance sheet	19	22,693,383	21,866,997
Total assets and contingencies		85,480,305	89,145,138
The financial statements on pages 36 to 70 were approved by the Board of Directors on July 29, 2009 and signed on its behalf by:			
			
<b>Abdul Mukhtar</b>			
			
<b>Hassan Musa Usman</b>			



## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31 2009

	Note	March 31, 2009 ₦'000	March 31, 2008 ₦'000
Gross earnings		10,090,144	7,063,135
Interest income	20	9,303,048	6,046,616
Interest expense	21	(2,076,469)	(1,355,956)
Interest margin		7,226,579	4,690,660
Commissions and other income	22	787,096	1,016,519
Operating income		8,013,675	5,707,179
Operating expenses	23	(3,169,560)	(2,166,056)
Interest on borrowings	21	(2,836,787)	(1,567,184)
Provision for losses	24	(870,519)	(641,957)
Profit before taxation		1,136,809	1,331,982
Information Technology Development levy		(11,368)	-
Current taxation	12	(352,232)	(189,289)
Deferred taxation	14	100,272	(80,927)
Profit after taxation		873,481	1,061,766
<b>Appropriations:</b>			
Transfer to statutory reserve	17	174,696	212,353
Transfer to general reserve	18	698,785	849,413
		<b>873,481</b>	<b>1,061,766</b>
Earning per share (kobo)			
Basic	26	10	34

## STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2009

	Note	March 31, 2009 ₦'000	March 31, 2008 ₦'000
<b>Cash flows from operating activities</b>			
Interest received		9,303,048	6,046,616
Commission and other income received		787,033	1,016,519
Interest expenses paid		(2,076,469)	(1,355,956)
Cash payment to employees and suppliers		(3,752,522)	(2,687,968)
Income tax paid	12	(82,718)	(16,652)
Operating profit before changes in operating assets and liabilities		4,178,372	3,002,559
<b>Changes in operating assets/liabilities</b>			
Loans and advances		(6,139,561)	(3,991,513)
Other assets		(915,273)	(538,592)
Due to other banks		(7,102,294)	3,087,942
Deposit and current accounts		3,508,755	8,195,841
Other liabilities		(1,867,574)	3,929,561
Net cashflow from operating activities	27	(8,337,575)	13,685,798
<b>Cash flows from investing activities</b>			
Purchase of investments		-	(155,110)
Purchase of fixed assets	9	(770,626)	(626,309)
Proceeds on sale of fixed assets		4,563	3,022
Net cash used in investing activities		(766,063)	(778,397)



## STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2009 - Continued

	Note	March 31, 2009 ₦'000	March 31, 2008 ₦'000
<b>Cash flows from financing activities</b>			
Finance lease repayments		(59,671)	(19,462)
Proceeds from issue of shares		-	3,085,796
Long term loan repayments		(539,914)	-
Interest on long term borrowing		(2,836,787)	(1,567,184)
Dividend paid to shareholders		(433,957)	-
Inflow from long term borrowing		930,000	3,819,953
<b>Net cashflow from financing activities</b>		<b>(2,940,329)</b>	<b>5,319,103</b>
Net (decrease)/increase in cash and cash equivalents		(12,043,967)	18,226,504
Cash and cash equivalents at beginning of year		35,392,197	17,165,693
Cash and cash equivalents at 31 March	5	<b>23,348,230</b>	<b>35,392,197</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 1. The 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.

		March 31, 2009 ₦'000	March 31, 2008 ₦'000
<b>2. Cash and short term funds</b>			
Cash		<b>320,767</b>	<b>113,863</b>
<b>3. Balances with Bank</b>			
Federal Mortgage Bank of Nigeria		1,119	1,389
Other banks		8,017,360	9,005,523
		8,018,479	9,006,912
Provision for doubtful bank balances (note 24)		(232,152)	-
		<b>7,786,327</b>	<b>9,006,912</b>
<b>4. Placements</b>			
Placements with banks		<b>15,241,136</b>	<b>26,271,422</b>
<b>5. Cash and cash equivalents</b>			
Cash and short-term funds (note 2)		320,767	113,863
Balances with other banks/financial institutions (note 3)		7,786,327	9,006,912
Placements (note 4)		15,241,136	26,271,422
		<b>23,348,230</b>	<b>35,392,197</b>
<b>6. Long term investments</b>	<b>Holding</b>		
	%		
Aso Solid Investments Limited	99	50,000	50,000
Aso Insurance Brokers Limited	20	2,760	2,760
Abuja Leasing Company Limited	22	155,110	155,110
		207,870	207,870



## NOTES TO THE FINANCIAL STATEMENTS

	March 31, 2009	March 31, 2008
	₦'000	₦'000
Less provision for investments	(50,000)	(50,000)
	<b>157,870</b>	<b>157,870</b>
<b>7. Loans and advances</b>		
<b>7.1 Analysis of loans and advances by security:</b>		
Real estate	31,077,482	22,027,999
Otherwise secured	7,695,567	9,822,004
Gross loans	38,773,049	31,850,003
Provision for doubtful accounts		
- General	(349,795)	(294,785)
- Specific	(2,111,660)	(1,267,042)
- Interest in suspense	(278,333)	(394,476)
	<b>36,033,261</b>	<b>29,893,700</b>
Total mortgage loans as at March 31, 2009 amounted to N31,077,482,298.		

## NOTES TO THE FINANCIAL STATEMENTS - Continued

7.2 Analysis of loans and advances by quality									
		March 31, 2009				March 31, 2008			
		Loans	Suspense	Gross Loans	Provision	Loans	Suspense	Gross Loans	Provision
		₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
<b>7.2.1</b>	<b>Non-performing:</b>								
	Substandard	1,108,152	29,482	1,137,634	113,763	607,750	-	607,750	60,775
	Doubtful	704,536	54,806	759,342	379,671	326,019	-	326,019	163,009
	Lost	1,702,514	194,045	1,896,559	1,896,559	1,043,258	394,476	1,437,734	1,437,734
		3,515,202	278,333	3,793,535	2,389,993	1,977,027	394,476	2,371,503	1,661,518
	Performing	34,979,514	-	34,979,514	349,795	29,478,500	-	29,478,500	294,785
		<b>38,494,716</b>	<b>278,333</b>	<b>38,773,049</b>	<b>2,739,788</b>	<b>31,455,527</b>	<b>394,476</b>	<b>31,850,003</b>	<b>1,956,303</b>

NOTES TO THE FINANCIAL STATEMENTS - Continued

	March 31, 2009 N'000	March 31, 2008 N'000
<b>7.3 Maturity profile of loans and advances</b>		
Under 1 month	8,292,956	1,246,363
1 - 3 months	1,115,293	956,124
3 - 6 months	1,289,958	2,609,715
6 - 12 months	3,749,188	5,256,313
Over 12 months	24,325,654	21,781,488
	<b>38,773,049</b>	<b>31,850,003</b>
<b>7.4 Insider-related credits</b>		
Aggregate amount of insider related credits outstanding at year-end	<b>7,900,174</b>	<b>3,040,000</b>
Non performing (note 39)	<b>531,153</b>	<b>539,191</b>
The details of insider related credits are analysed in note 39 to these financial statements in line with the Central Bank of Nigeria Circular BSD/1/2004.		
<b>7.5 Analysis of loans and advances by nature</b>		
Term loans	32,431,241	26,801,625
Overdrafts	5,902,665	4,908,044
Others	439,143	140,334
	<b>38,773,049</b>	<b>31,850,003</b>

NOTES TO THE FINANCIAL STATEMENTS - Continued

	Performing accounts N'000	Non- Performing accounts N'000	March 31, 2009 N'000	March 31, 2008 N'000
<b>7.6 Provisions for loans:</b>				
At April 1	294,785	1,661,518	1,956,303	1,058,814
	-	-	-	-
	294,785	1,661,518	1,956,303	1,058,814
Additional provision for the year	55,010	723,835	778,845	603,446
Recovered during the year	-	(273,693)	(273,693)	(100,433)
Per profit and loss account (note 24)	55,010	450,142	505,152	503,013
At March 31	349,795	2,111,660	2,461,455	1,561,827
Interest in Suspense (note 7.7)	-	278,333	278,333	394,476
AT MARCH 31	349,795	2,389,993	2,739,788	1,956,303
<b>7.7 Interest in suspense:</b>				
At April 1			394,476	295,918
Arising/(writeback) during the year			(116,143)	128,151
Released during the year			-	(29,593)
At March 31			<b>278,333</b>	<b>394,476</b>



NOTES TO THE FINANCIAL STATEMENTS - Continued

	March 31, 2009 N'000	March 31, 2008 N'000
<b>8. Other assets</b>		
Interest receivable	961,230	522,648
Prepayments	337,888	202,968
Capital work-in-progress	247,217	52,747
Inventories	10,602	13,507
Accounts receivable clearing house	81,174	5,951
Other accounts receivable	477,793	490,529
Deferred share issue expenses	-	48,285
	2,115,904	1,336,635
Provision for doubtful accounts (note 8.1)	(160,077)	(296,080)
	<b>1,955,828</b>	<b>1,040,555</b>
<b>8.1 Summary of provisions on other assets:</b>		
At April 1	296,080	157,136
Written off during the year	(269,218)	-
	<b>26,862</b>	<b>157,136</b>
Additions during the year:	133,615	140,312
Recoveries during the year	(400)	(1,368)
Charged to Profit & Loss (note 24)	133,215	138,944
	<b>160,077</b>	<b>296,080</b>

NOTES TO THE FINANCIAL STATEMENTS - Continued

9. Fixed assets	Land and Buildings N'000	Plants & Machinery N'000	Furniture & Fittings N'000	Software & Computer N'000	Motor vehicles N'000	Leased Assets N'000	Total N'000
<b>Cost/valuation:</b>							
At April 1 2008	251,757	20,381	137,445	423,470	75,205	70,061	978,319
Additions during the year	124,448	32,212	197,413	223,306	193,247	-	770,626
Disposals during the year	-	-	-	-	(6,000)	-	(6,000)
At March 31 2009	<b>376,205</b>	<b>52,593</b>	<b>334,858</b>	<b>646,776</b>	<b>262,452</b>	<b>70,061</b>	<b>1,742,945</b>
<b>Depreciation:</b>							
At April 1 2008	35,884	8,511	29,328	86,070	9,321	15,386	184,500
Charge during the year	5,389	8,341	37,156	181,307	37,817	17,547	287,557
Disposals during the year	-	-	-	-	(1,500)	-	(1,500)
At March 31 2009	<b>41,273</b>	<b>16,852</b>	<b>66,484</b>	<b>267,377</b>	<b>45,638</b>	<b>32,933</b>	<b>470,557</b>
<b>Net Book Value</b>							
At March 31 2009	<b>334,932</b>	<b>35,741</b>	<b>268,374</b>	<b>379,399</b>	<b>216,814</b>	<b>37,128</b>	<b>1,272,388</b>
At March 31 2008	215,873	11,870	108,117	337,400	65,884	54,675	793,819

NOTES TO THE FINANCIAL STATEMENTS - Continued

9.1	Leased Assets	Plants & Machinery N'000	Furniture & Fittings N'000	Software & Computer N'000	Motor vehicles N'000	Total N'000
	<b>Cost:</b>					
	At April 1 2008	8,700	5,382	8,874	47,105	70,061
	Additions during the year	-	-	-	-	-
	At March 31 2009	<b>8,700</b>	<b>5,382</b>	<b>8,874</b>	<b>47,105</b>	<b>70,061</b>
	<b>Depreciation:</b>					
	At April 1 2008	1,758	1,293	2,707	9,628	15,386
	Charge during the year	1,740	1,076	2,955	11,776	17,547
	At March 31 2009	<b>3,498</b>	<b>2,369</b>	<b>5,662</b>	<b>21,404</b>	<b>32,933</b>
	<b>Net book value:</b>					
	At March 31 2009	<b>5,202</b>	<b>3,013</b>	<b>3,212</b>	<b>25,701</b>	<b>37,128</b>
	At March 31 2008	6,942	4,089	6,167	37,477	54,675

NOTES TO THE FINANCIAL STATEMENTS - Continued

		March 31, 2009 N'000	March 31, 2008 N'000
<b>10.</b>	<b>Deposit, current and other accounts</b>		
	.1 Summary		
	In Nigeria		
	Term	17,428,677	9,967,232
	Demand	30,530,322	34,566,461
	Savings	848,520	765,071
		<b>48,807,519</b>	<b>45,298,764</b>
	.2 The maturity profile of deposit liabilities is as follows:		
	Under 1 month	17,362,634	20,739,877
	1 - 3 months	11,385,804	16,700,927
	3 - 6 months	7,490,735	7,857,960
	6 - 12 months	6,533,522	-
	Over 12 months	6,034,824	-
		<b>48,807,519</b>	<b>45,298,764</b>
<b>11.</b>	<b>Due to other banks</b>	<b>620,000</b>	<b>7,722,294</b>



NOTES TO THE FINANCIAL STATEMENTS - Continued

		March 31, 2009 N'000	March 31, 2008 N'000
<b>12.</b>	<b>Tax payable</b>		
	<b>.1 Per profit and loss account:</b>		
	Income tax:		
	Based on profit for the year	307,119	167,727
	<b>Education tax:</b>		
	Based on profit for the year	29,610	21,562
	Under provision for prior year	15,503	-
		45,113	21,562
	Per profit and loss account	<b>352,232</b>	<b>189,289</b>
	<b>.2 Per balance sheet</b>		
	<b>Income tax:</b>		
	At April 1	167,727	16,652
	Based on the profit for the year	307,119	167,727
	Payments during the year	(45,653)	(16,652)
		429,193	167,727

NOTES TO THE FINANCIAL STATEMENTS - Continued

	<b>Education tax:</b>		
	At April 1	21,562	-
	Based on the profit for the year	45,113	21,562
	Payments during the year	(37,065)	-
		29,610	21,562
	<b>.3 Information technology levy</b>	11,368	-
	Per balance sheet	<b>470,171</b>	<b>189,289</b>
	<b>.4 Total tax payments during the year</b>		
	Income tax	45,653	16,652
	Education tax	37,065	-
		82,718	16,652

The charge for taxation in these financial statements is based on the provisions of the Companies Income Tax Act CAP C21 Laws of the Federation of Nigeria. The charge for education tax is based on the provisions of the Education Tax Act CAP E4 Laws of the Federation of Nigeria.

The Nigerian Information Technology Development Agency (NITDA) Act was signed into law on 24 April 2007. Section 12(2a) of the Act stipulates that, specified companies contribute 1% of their profit before tax to the Nigerian Information Technology Development Agency. In line with the Act, the Bank has provided for NITDA levy at the specified rate.

NOTES TO THE FINANCIAL STATEMENTS - Continued

	March 31, 2009 N'000	March 31, 2008 N'000
<b>13. Other liabilities</b>		
Accrued expenses	317,120	383,499
Account payable	614,373	422,458
Pension payable (note 13.1)	16,725	-
Provision for gratuity (note 13.2)	89,593	38,020
Interest payable	400,280	805,468
Accrued Interest on long term borrowing	265,301	3,360
Managers' cheques	330,021	480,445
Unearned income	-	557,181
Finance lease obligation	15,908	75,579
Sales of FGN instruments not yet presented	586,157	-
Uncleared effects	81,174	1,877,887
	<b>2,716,652</b>	<b>4,643,897</b>

**13.1** The Bank operates a contributory pension scheme. Contributions to the scheme, which complied with the Pension Reform Act 2004, are based on transport, housing and basic allowances in the ratio of 7.5% each by the employer and employee. This outstanding balance relates to amount payable to Pension Fund Administrators which employee has not presented their Personal Identification Number (PIN) to effect the remittance.

NOTES TO THE FINANCIAL STATEMENTS - Continued

13.2	Provision for gratuity		
	At 1 April	38,020	28,466
	Charge to profit and loss account	51,573	9,554
	At 31 March	<b>89,593</b>	<b>38,020</b>
<b>14. Deferred taxation</b>			
	At 1 April	80,927	-
	Prior period charged during the year	-	17,984
	Charge to profit and loss account	(100,272)	62,943
	At 31 March	<b>(19,345)</b>	<b>80,927</b>
In accordance with the Statements of Accounting Standards No. 19, provisions have been made in these financial statements for deferred taxation.			



NOTES TO THE FINANCIAL STATEMENTS - Continued

		March 31, 2009 N'000	March 31, 2008 N'000
<b>15. Long-term borrowing</b>			
	Federal Mortgage Bank of Nigeria (note 15.1)	674,402	699,061
	FinBank Plc (note 15.2)	3,245,645	3,605,900
	GT Bank (note 15.3)	775,000	-
		<b>4,695,047</b>	<b>4,304,961</b>
15.1	This represents funds obtained from Federal Mortgage Bank and disbursed to beneficiaries of National housing Fund (NHF)		
15.2	On 11 March 2008, the Bank secured term loan of N4 billion from First Inland Bank Plc (Now Finbank Plc) to fund construction of housing units and to actively participate in the secondary real estate market in Abuja and other major cities in Nigeria pending the conclusion of their request for a Syndicated N20 billion Revolving Mortgage Backed Credit Note Issuance Facility for which the bank has been appointed as lead arranger. The loan has a tenor of 5 1/2years with interest of 14.5% payable per annum.		
15.3	On 16 July 2008, the Bank secured term loan of N930million from Guaranty Trust Bank Plc to refinance the purchase of property . The loan has a three years tenor, with an interest rate of 15% payable per annum.		

NOTES TO THE FINANCIAL STATEMENTS - Continued

		March 31, 2009 N'000	March 31, 2008 N'000
<b>16. Share capital</b>			
	.1 Authorised:		
	10,000,000,000 ordinary shares of 50k each	5,000,000	5,000,000
	.2 Issued, called up and fully paid:		
	At 1 April	4,339,574	107,240
	Issued during the year	-	4,232,334
	At 31 March	<b>4,339,574</b>	<b>4,339,574</b>
<b>17. Statutory reserve</b>			
	At 1 April	282,813	70,460
	Appropriation from the profit and loss account	174,696	212,353
	At 31 March	<b>457,509</b>	<b>282,813</b>
	"This is computed at 20% of profit after tax in accordance with the Guidelines for Primary Mortgage Institutions issued by Other Financial Institutions Department of Central Bank of Nigeria."		

NOTES TO THE FINANCIAL STATEMENTS - continued

	March 31, 2009 N'000	March 31, 2008 N'000
<b>18. General reserve</b>		
At 1 April	415,622	(433,791)
Dividend paid (note 18.1)	(433,957)	-
Retained profit for the year	698,785	849,413
At 31 March	<b>680,450</b>	<b>415,622</b>
<b>18.1</b>	This is payment of dividend of 5k per share declared for year ended March 31, 2008 paid during the year	
<b>19. OFF BALANCE SHEET</b>		
Refinanced Loans (note 19.1)	20,869,764	21,866,997
Bank Guarantee	1,509,390	-
Advance Payment Guarantee	314,229	-
	<b>22,693,383</b>	<b>21,866,997</b>
<b>19.1</b>	Aso Savings and Loans Plc entered into a quadripartite Mortgage Sales and Purchase Agreement last year 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.	

NOTES TO THE FINANCIAL STATEMENTS - Continued

	March 31, 2009 N'000	March 31, 2008 N'000
<b>20. Interest earnings</b>		
a.	This is analysed by source and income type as follows:	
	<b>Bank sources:</b>	
	- Interest on interbank placements	2,346,456
	<b>Non-Bank sources:</b>	
	- Interest on Loans and advances	6,956,592
	<b>9,303,048</b>	<b>6,046,616</b>
b.	<b>Geographical location:</b>	
	Earned in Nigeria	<b>9,303,048</b>
		<b>6,046,616</b>



NOTES TO THE FINANCIAL STATEMENTS - Continued

	March 31, 2009 N'000	March 31, 2008 N'000
<b>21. Interest expense</b>		
<b>.a Interest expense comprises:</b>		
<b>Bank sources:</b>		
-Interest on long-term borrowing	<b>2,836,787</b>	<b>1,567,184</b>
<b>Non-Bank sources:</b>		
- Demand	663,644	736,580
- Time deposits	733,736	324,410
- Savings	28,574	14,883
- Interbank takings	650,515	280,083
	<b>2,076,469</b>	<b>1,355,956</b>
<b>.b Geographical location:</b>		
Paid in Nigeria	<b>4,913,256</b>	<b>2,923,140</b>
<b>22. Commissions and other income</b>		
Commissions on turnover	246,439	217,550
Loans management fees	433,755	252,110
Profit on sales of fixed asset	63	-
Administrative and processing charges	62,160	365,971
Miscellaneous income	44,679	180,888
	<b>787,096</b>	<b>1,016,519</b>

NOTES TO THE FINANCIAL STATEMENTS - Continued

	March 31, 2009 N'000	March 31, 2008 N'000
<b>23. Operating expenses</b>		
1. Summary:		
Charges and expenses		
Staff and other related costs	858,678	630,260
Staff pension and gratuities	114,984	53,466
Directors' emolument	35,921	5,947
Auditors remuneration	12,000	5,000
Transaction loss	451	-
Other operating expenses	1,859,969	914,605
	<b>2,882,004</b>	<b>1,609,278</b>
Exceptional item	-	436,733
Loss on disposal of fixed assets	-	1,216
Depreciation on fixed assets	287,557	118,829
	<b>3,169,560</b>	<b>2,166,056</b>
Included in other operating expenses are FIRS stamp duty fraud of N37,487,000 and N18,817,000 fraud committed by staff		

NOTES TO THE FINANCIAL STATEMENTS - Continued

	March 31, 2009 N'000	March 31, 2008 N'000
<b>24. Provision for risk assets</b>		
Loans and advances		
- General (note 7.6)	55,010	33,446
- Specific (note 7.6)	450,142	469,567
Provision for doubtful bank balance (note 3)	232,152	-
Other assets (note 8.1)	133,215	138,944
	<b>870,519</b>	<b>641,957</b>
<b>25. Profit before tax</b>		
This is stated after charging:		
Directors' emoluments	35,921	5,947
Depreciation on fixed assets	287,557	118,829
Loss/(gain) on disposal of fixed assets	(63)	1,216
Auditors remuneration	12,000	5,000
Pension and gratuity	114,984	53,466
<b>26. Basic Earnings per share</b>		
Basic earnings per share are calculated based on the profit after tax and the number of ordinary shares issued and paid up at 31 March 2009		
Profit for the year attributable to shareholders (N'000)	<b>873,481</b>	<b>1,061,766</b>
Weighted average number of ordinary share (in million)	8,679,148	3,159,721
Earnings per share (Kobo) - basic	<b>10</b>	<b>34</b>

NOTES TO THE FINANCIAL STATEMENTS - Continued

	March 31, 2009 N'000	March 31, 2008 N'000
<b>27. Reconciliation of profit after tax to net cash provided by operating activities</b>		
Profit after taxation	873,481	1,061,766
Adjustments to reconcile profit after tax to net cash (utilised)/provided by operating activities		
Depreciation of fixed assets	287,557	118,829
Interest on long term borrowing	2,836,787	1,567,184
Loss/(profit) on disposal of fixed assets	(63)	1,216
<b>Changes in assets and liabilities</b>		
Increase in loans and advances	(6,139,561)	(3,991,513)
Increase in other assets	(915,273)	(538,592)
(Decrease)/increase in due to other banks	(7,102,294)	3,087,942
Increase in deposit and other current accounts	3,508,755	8,195,841
(Decrease)/increase in other liabilities	(1,867,574)	3,929,561
Increase in deferred taxation	(100,272)	80,927
(Decrease)/increase in tax payable	280,882	172,637
Net cash flow from operating activities	<b>(8,337,575)</b>	<b>13,685,798</b>



NOTES TO THE FINANCIAL STATEMENTS - Continued

28. Emolument of Directors		
.1 Emoluments:		
Fees	8,625	4,150
Other emoluments	27,296	1,797
Aggregate emoluments	35,921	5,947
The Chairman's fees amounted to	1,500	1,000
Highest paid Director	1,500	1,900

NOTES TO THE FINANCIAL STATEMENTS - Continued

28. Emolument of Directors (Cont'd)		March 31, 2009 N'000	March 31, 2008 N'000
.2 The table below shows the number of Directors of the Bank (excluding the chairman) whose remuneration (excluding pension contributions) in respect of services to the Bank fell within the ranges shown below.			
	<b>N</b> <b>N</b>	<b>Number</b>	<b>Number</b>
	300,001 - 1,000,000	-	-
	1,000,001 - 2,000,000	-	-
	Above 2,000,000	4	1
	Number of directors who had no emoluments.	<b>4</b>	<b>1</b>
<b>29. Employees</b>			
.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:			
	<b>N</b> <b>N</b>		
	Below - 150,000	31	30
	150,001 - 200,000	-	-
	200,001 - 300,000	111	190
	300,001 - 400,000	78	40
	400,001 - 500,001	28	15
	500,001 - 700,000	10	12
	700,001 - 1,000,000	25	7
	1,000,001 - 1,500,000	12	13
	1,500,001 - 2,000,000	6	-
	2,000,001 - 2,500,000	3	-
	2,500,001 - 3,000,000	4	2
		<b>308</b>	<b>309</b>

NOTES TO THE FINANCIAL STATEMENTS - Continued

.2	The average number of persons employed (excluding Directors) in the Bank during the year as follows:	308	309
		N'000	N'000
.3	The related staff costs were:		
	Staff costs	858,678	630,260
	Staff pension and gratuities	114,984	53,466
		973,662	683,726
<b>30.</b>	<b>Post balance sheet events</b>		
	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, 2009 and on the profit for the year ended on that date which have not been adequately provided for or disclosed.		
	Maimuna S. Aliyu was appointed as an Executive Director on April 8, 2009		
<b>31.</b>	<b>Claims and litigations</b>		
	There were contingent liabilities in respect of claims and litigation against the Bank as at 31 March 2009 amounting to N17,165,430 (March 2008: N11,504,846). 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.		

NOTES TO THE FINANCIAL STATEMENTS - Continued

		March 31, 2009 N'000	March 31, 2008 N'000
<b>32.</b>	<b>Guarantees and other financial commitments</b>		
1.	Capital commitments:		
	Capital expenditure authorised by the Directors but not provided for in these financial statements are as follows:		
	Contracted	1,823,619	-
	Not contracted	-	-
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.		
<b>33.</b>	<b>Comparative figures reclassification</b>		
	Certain comparative figures in the 2008 financial statements were reclassified to conform with the current year presentation.		
<b>34.</b>	<b>Contraventions</b>		
	The Bank did not contravene any section of the Banks and Other Financial Institution Act Cap B3 Laws of Federation of Nigerian 2004 during the year.		
<b>35.</b>	<b>Sections 355 (8) and (9) of the Companies and Allied Matters Act, Cap C20 Laws of the Federation of Nigeria</b>		
	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 foregoing, the format used gives the information required by the Act as substantially in accordance therewith.		
<b>36.</b>	<b>Related Party</b>		
	Transactions between the bank and its subsidiary during the period were conducted at arm's length.		
<b>37.</b>	<b>Investment in Subsidiary</b>		



## NOTES TO THE FINANCIAL STATEMENTS - Continued

The Bank has 99% of the voting rights or otherwise controlling power in Aso Solid Investment Limited which makes the company its subsidiary. However, the result of the subsidiary is not consolidated in the financial statements because the directors are of the opinion that the business is insignificant and therefore reported as investments.

### 38. Dividend Payable

In respect of the current year, the Directors proposed that a dividend of 5 kobo per ordinary share will be paid to shareholders. This dividend is subject to approval at the Annual General Meeting and has not been included as a liability in these financial statements. Dividend to shareholders is now accounted for on the date of declaration as they do not meet criteria of present obligation in Statement of Accounting Standards 23. The proposed dividend is subject to withholding tax at the appropriate tax rate and is payable to shareholders whose names appear in the Register of Members at the closure date. The gross dividend to be paid is N433.957 million.

## NOTES TO THE FINANCIAL STATEMENTS - Continued

### 39. Details of insider-related credits as at March 31, 2009

The total outstanding balance of insider related credits as at March 31, 2008 was N7.9 billion (2008:N3.04billion) out of which facilities having outstanding balance of N531million (2008:N539million) were classified as non-performing. The detail of non-performing facilities is as follows:

Name of borrower	Balance at 31/03/2009 N'000	Interest Rate	Total Provision N'000	Relationship to Institution	Security
Akin Adaramola	10,788	24	10,788	Ex Managing Director	Nil
Ecosense Ventures	5,075	24	5,075	Ex Managing Director	Nil
Tafida Bala Ahmed					
Balan Nig Ltd	15	24	15	Ex Managing Director	Nil
Shelter & Gen Services	3,586	24	3,586	Ex Managing Director	Nil
Nakowa Motors	7,085	24	7,085	Ex Managing Director	Nil
Munificent Nig Ltd	1,778	24	1,778	Ex Managing Director	Nil
H&S Construction Co. Ltd	5,794	24	5,794	Ex Managing Director	Nil
Aso Solid Investment Limited	392,260		392,260	Related company	Nil
Aso Solid Investment Limited	97,629	24	97,629	Related company	Nil
Godfrey Miri S	3,076	24	3,076	Ex Director	Nil
Umar Waziri	4,066	24	4,066	Ex Director in related company	Nil
	<b>531,153</b>		<b>531,153</b>		

NOTES TO THE FINANCIAL STATEMENTS - Continued

40. Summary of Movements on Provision for Risk Assets	Loans & Advances N'000	Cash and Bank, Investment & Other Assets N'000	March 31, 2009 N'000	March 31, 2008 N'000
<b>Provisions for loans:</b>				
At April 1	1,956,303	346,080	2,302,383	1,265,950
Written off	-	(269,218)	(269,218)	-
	<b>1,956,303</b>	<b>76,862</b>	<b>2,033,165</b>	<b>1,265,950</b>
Additional provision for the year	778,845	365,767	1,144,612	743,758
Recovered during the year	(273,693)	(400)	(274,093)	(101,801)
Charge for the year (note 24)	505,152	365,367	870,519	641,957
At March 31	<b>2,461,455</b>	<b>442,229</b>	<b>2,903,684</b>	<b>1,907,907</b>
<b>Interest in suspense:</b>				
At April 1	394,476	-	394,476	295,918
Arising/(writeback) during the year	(116,143)	-	(116,143)	128,151
Released during the year	-	-	-	(29,593)
At March 31	278,333	-	278,333	394,476
Total as at March 31	<b>2,739,788</b>	<b>442,229</b>	<b>3,182,017</b>	<b>2,302,383</b>
<b>41. Approval by the Board</b>				
The financial statements were approved by the Board of Directors of the Bank on July 29, 2009.				

NOTES TO THE FINANCIAL STATEMENTS - Continued

42. LIQUIDITY RISK	MATURITIES OF ASSETS AND LIABILITIES					
	0-30 days N'000	1-3 months N'000	3-6 months N'000	6-12 months N'000	Over 1 year N'000	Total N'000
<b>MATURITIES OF ASSETS AND LIABILITIES</b>						
<b>Assets</b>						
Cash and other short term funds	320,767	-	-	-	-	320,767
Due from other banks and financial institutions	7,786,327	-	-	-	-	7,786,327
Placements	-	15,241,136	-	-	-	15,241,136
Investments	-	-	-	157,870	-	157,870
Loans and advances	5,553,168	1,115,293	1,289,958	3,749,188	24,325,654	36,033,261
Other assets	-	-	1,955,828	-	-	1,955,828
Deferred tax	19,345	-	-	-	-	19,345
Fixed assets	-	-	-	-	1,272,388	1,272,388
<b>Total assets</b>	<b>13,679,607</b>	<b>16,356,429</b>	<b>3,245,786</b>	<b>3,907,058</b>	<b>25,598,042</b>	<b>62,786,923</b>
<b>Liabilities</b>						
Deposits	17,362,634	11,385,804	7,490,735	6,533,522	6,034,824	48,807,519
Due to other banks	4,000,000	-	3,000,000	2,000,000	-	9,000,000
Other liabilities	2,716,652	-	-	-	-	2,716,652
Taxation	-	-	-	470,171	-	470,171
Deferred taxation	-	-	-	-	-	-
Long term borrowing	-	-	-	-	4,695,047	4,695,047
Capital & reserves	-	-	-	-	5,477,533	5,477,533
<b>Total Liabilities</b>	<b>24,079,286</b>	<b>11,385,804</b>	<b>10,490,735</b>	<b>9,003,693</b>	<b>16,207,404</b>	<b>71,166,922</b>



## NOTES TO THE FINANCIAL STATEMENTS - Continued

	0-30 days N'000	1-3 months N'000	3-6 months N'000	6-12 months N'000	Over 1 year N'000	Total N'000
Net liquidity gap as at 31 March 2009	(10,399,679)	4,970,625	(7,244,949)	(5,096,635)	9,390,638	-
Cumulative liquidity gap	<b>(10,399,679)</b>	<b>(5,429,054)</b>	<b>(12,674,003)</b>	<b>(17,770,638)</b>	<b>(8,380,000)</b>	-
Assets as at 31 March 2008						67,278,141
Liabilities as at 31 March 2008						62,240,132
Net liquidity gap as at 31 March 2008						5,038,009
<b>42.1. LIQUIDITY RISK</b>						
MATURITIES OF RISK ASSETS AND DEPOSIT LIABILITIES						
	0-30 days N'000	1-3 months N'000	3-6 months N'000	6-12 months N'000	Over 1 year N'000	Total N'000
<b>MATURITIES OF ASSETS AND LIABILITIES</b>						
Assets						
Investments	-	-	-	157,870	-	157,870
Loans and advances	5,553,168	1,115,293	1,289,958	3,749,188	24,325,654	36,033,261
Other assets	-	-	1,955,828	-	-	1,955,828
<b>Total risk assets</b>	5,553,168	1,115,293	3,245,786	3,907,058	24,325,654	38,146,959
Liabilities						
Deposits	17,362,634	11,385,804	7,490,735	6,533,522	6,034,824	48,807,519
<b>Net liquidity gap</b>	<b>(11,809,466)</b>	<b>(10,270,511)</b>	<b>(4,244,949)</b>	<b>(2,626,464)</b>	<b>18,290,830</b>	<b>(10,660,560)</b>

The table above analyse assets and liabilities of the Bank into relevant maturity grouping based on the remaining period at balance sheet date to the contractual maturity date. The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the bank. It is unusual for banks assets and liabilities to be completely matched since business transacted is often of uncertain terms and of different types. An unmatched position potentially enhances profitability, but can also increase the risk of losses.

## STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31 MARCH 2009

	March 31, 2009 N'000	March 31, 2008 N'000		
- Gross earnings	10,090,144	7,063,135		
- Interest expense	(2,076,469)	(1,355,956)		
	8,013,676	5,707,179		
Administrative and other expenses - Local	(1,908,342)	(1,363,501)		
Provision for doubtful debts	(870,519)	(641,957)		
<b>VALUE ADDED</b>	<b>5,234,815</b>	<b>3,701,721</b>	<b>100</b>	<b>100</b>
<b>DISTRIBUTED AS FOLLOWS:</b>				
<b>In payment to employees:</b>				
- Salaries, wages and other allowances	973,662	683,726	19	18
<b>In payment to Government:</b>				
- Income tax	352,232	189,289	10	6
- Information Technology Levy	11,368	-	-	-
<b>In payment to providers of funds:</b>				
- Interest on long term borrowing	2,836,787	1,567,184	54	42
<b>Retained for future replacement of assets and expansion of business:</b>				
- Depreciation	287,557	118,829	5	3
- Deferred taxation	(100,272)	80,927	(4)	2
- Profit re-invested in the business	873,481	1,061,766	16	29
	<b>5,234,815</b>	<b>3,701,721</b>	<b>100</b>	<b>100</b>

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

	March 31 2009 N'000	March 31 2008 N'000	March 31 2007 N'000	March 31 2006 N'000	March 31 2005 N'000
<b>ASSETS</b>					
Cash and short-term funds	320,767	113,863	2,974,560	109,581	91,149
Due from banks and other financial institutions	7,786,327	9,006,912	14,191,133	2,011,594	917,425
Placements	15,241,136	26,271,422	-	-	-
Long-term investments	157,870	157,870	2,760	52,760	52,760
Loans and advances	36,033,261	29,893,700	25,902,187	930,045	992,981
Other assets	1,955,828	1,040,555	501,963	86,932	77,334
Deferred tax	19,345	-	-	-	-
Fixed assets	1,272,388	793,819	260,399	150,549	156,635
<b>TOTAL ASSETS</b>	<b>62,786,922</b>	<b>67,278,141</b>	<b>43,833,002</b>	<b>3,341,461</b>	<b>2,288,284</b>
<b>LIABILITIES</b>					
Deposit and current accounts	48,807,519	45,298,764	37,102,924	3,163,282	2,185,936
Due to other banks	620,000	7,722,294	-	-	-
Tax payable	470,171	189,289	16,652	8,986	11,318
Other liabilities	2,716,652	4,643,897	6,484,509	237,006	81,360
Deferred tax	-	80,927	-	-	-
Long-term borrowing	4,695,047	4,304,961	485,008	464,896	295,139
	57,309,389	62,240,132	44,089,093	3,874,170	2,573,753
Shareholders fund	5,477,533	5,038,009	(256,091)	(532,709)	(285,469)

## FIVE-YEAR FINANCIAL SUMMARY - Continued

	March 31 2009 N'000	March 31 2008 N'000	March 31 2007 N'000	March 31 2006 N'000	March 31 2005 N'000
<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>62,786,922</b>	<b>67,278,141</b>	<b>43,833,002</b>	<b>3,341,461</b>	<b>2,288,284</b>
<b>Off balance sheet</b>	<b>22,693,383</b>	<b>21,866,997</b>	-	-	-
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Gross Earnings	10,090,144	7,063,135	1,979,653	507,971	388,529
Profit before taxation	1,136,809	1,331,982	286,183	(246,338)	(573,568)
Profit after taxation	873,481	1,061,766	276,618	(247,240)	(573,568)
Earnings per share					
- Basic (Kobo)	10	34k	258k	(230k)	(535k)
Net assets per share					
- Actual (kobo)	63	58	(238k)	(497k)	(266k)
<b>Note:</b>	Earnings per share (basic) are based on profit after tax 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.				



AWARDS WINNERS 2009



**MD/CEO'S AWARD FOR EXCELLENCE  
TOCHUKWU CHINYELU**



**MOST IMPROVED BRANCH - KUJE BRANCH**



**BEST SUPPORT DEPARTMENT - ICT**



**MOST PROFITABLE BRANCH - AREA 11**



**MOST ORGANISED BRANCH - EAGLE SQUARE**

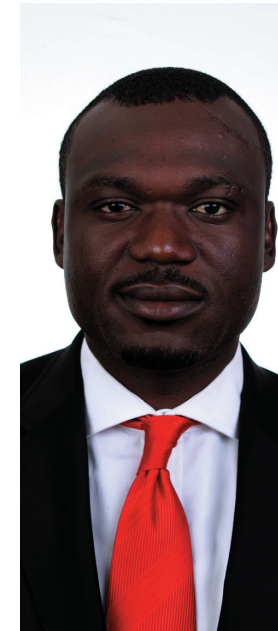


**MOHAMMED OSORI - BEST MARKETER**



**HABIBA ABDULLAHI - BEST TELLER**

AWARDS WINNERS 2009



**SYLVESTER ONU  
BEST BRANCH MANAGER**



**MAAKU YAKUBU  
MOST IMPROVED STAFF  
(FINANCE & RISK)**



**JOSEPH OYINBO  
BEST HEAD OF OPERATIONS**



**FOLAKUNMI OJEMUYIWA  
BEST SUPPORT STAFF**



**EZIKWU NWAFOR - ORIZU  
MOST IMPROVED BRANCH  
MANAGER**



**ABUL FERDINAD IKYA  
LONG SERVICE AWARD**



**DAHIRU MOHAMMED  
BEST AUXILLARY STAFF (DRIVER)**



**HASIYA MUHAMMED  
BEST CUSTOMER SERVICE OFFICER**



**HAFSA KATAGUM  
MOST IMPROVED CUSTOMER SERVICE  
OFFICER**



**NURATU ABDULLAHI  
MOST IMPROVED MARKETER**



**GATAH WOJI  
MOST VALUABLE STAFF  
(FINANCE & RISK)**



**DELE ODUNOLA  
BEST AUXILLARY STAFF  
(DISPATCH RIDER)**



## CORPORATE SOCIAL RESPONSIBILITY

### ASO COMMUNITYWORKS

While recognizing that profits are necessary for ASO to exist, we recognize the need to strive to add value and make life better and the best way to do this is to foster creativity, innovation and diversity throughout ASO, while at the same time align our business practices with our highest values. We make sure that ASO Savings reflects the values of the community and of the ever changing market environment in which we operate. Corporate Social Responsibility (CSR) at ASO Savings is based on common sense policies that represent a means of integrating a complete 'social perspective' into all aspects of operations. Our goal is to maximize true value and to integrate CSR into everyday operations as well as in the lives of all our stakeholders - our customers, investors, partners and employees.

ASO's CSR objective is to become an indispensable partner in the development of our community and to reflect the values of the company through its projects

### EDUCATION

Our general goal is to seek basic educational institutions (Primary Schools) in need of renovation either structural, infrastructural, financial (Sponsorships / Scholarships) and revolutionize means and ideas to improve their operational conditions as well as alleviating the educational standards within the community. This will automatically improve the standard of living by giving children a better opportunity to ascend to a higher educational institution.

In support of this goal, ASO provided N500, 000 worth of books to the Government Junior Secondary School for the upgrade of their library.

### HEALTH

Our approach to health and wellness will encompass physical and emotional well-being. We will provide a wide range of programmes and support that will encourage wellness and promote healthy living in the community. We will also strive to provide tools and information to help the community make proactive and educated health care decisions.

We find that better lifestyle habits can help you reduce your risk for heart attack and, based on this premise, ASO Savings collaborated with the Federal Road Safety Commission in a monthly walking/jogging fitness exercise programme (ASO/FRSC Jogging) that targets everyone in the community. We use this medium to create awareness and to motivate the community to live longer, live more heart-healthy lifestyles through walking and other healthy habits.

### YOUTH DEVELOPMENT THROUGH SPORTS

We feel that many of the complex and diverse challenges facing our communities are most effectively resolved through public and private partnerships and that's why we have partnered with various financial organisations to promote community goodwill and engagement through organized Sports programs. This is evident in our sponsorship of, and participation in the Tinapa International Soccer Fiesta 2008. In addition, ASO participates in the IBB Ladies Golf Development Clinic in an effort to support and accelerate the development of golf among females.

### COMMUNITY ENRICHMENT

Our company participates in various activities that improve the morale and enrichment of the community at large such as in the NTA Children's Christmas party. Children from all areas of the community were invited to partake in the Christmas party. They were entertained by clowns, comedians, musicians and many more.

ASO Savings also supported the advancement of business leaders in our community by donating N1 million towards the Nigeria 2025; a project of Leap Africa. LEAP provides leadership training programmes and executive coaching services for business owners, social entrepreneurs and youths.

## MANAGEMENT COMMITTEE

HASSAN MUSA USMAN

Managing Director and Chief Executive Officer

KUDI BADMUS

Executive Director, Finance and Risk

SHEHU INUWA MOHAMMED

Executive Director, Operations and Technology

MAIMUNA S. ALIYU

Executive Director, Products and Markets

TUNJI ABUDU

Head, Real Estate Investment Banking

BILKISU RIMI

Company Secretary/General Counsel

SALMA MOHAMMED

Group Head, Human Capital and Corporate Management

...built around you

## A SHAREHOLDERS INFORMATION UPDATE FORM



### 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 & LOANS PLC Office at Plot 266, FMBN Building, Cadastral Zone AO Central Business District, Abuja.

NAME: \_\_\_\_\_

EMAIL ADDRESS: \_\_\_\_\_

TELEPHONE NO(S): \_\_\_\_\_

NUMBER OF SHARES HELD AT 50K EACH: \_\_\_\_\_

POSTAL ADDRESS \_\_\_\_\_

RESIDENTIAL ADDRESS: \_\_\_\_\_

SHAREHOLDER'S SIGNATURE (1) \_\_\_\_\_ (Single Shareholder)

(2) \_\_\_\_\_ (Joint/Corporate Account)

**Note:** If 2 above is Corporate, please impress company's seal or stam

## PROXY FORM

Annual General Meeting of Aso Saving & Loans Plc to be held at THE LADI KWALI HALL , SHERATON HOTELS & TOWERS, Abuja on Tuesday, 3rd November 2009 at 11:00 am

I/we \_\_\_\_\_

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

Being a member 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 our behalf at the Annual General meeting of the Company to be held on Tuesday, 3rd November 2009

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2009

\_\_\_\_\_  
Shareholder's Signature

	RESOLUTIONS	FOR	AGAINST
1.	To receive the audited Accounts.		
2.	To re-elect/elect Directors		
3.	To approve the remuneration of Directors		
4.	To Authorise the Directors to fix the remuneration of the Joint Auditors		
5.	To declare a dividend.		
6.	To elect members of the Audit Committee		
7.	To raise additional share capital and allow the Directors to take all necessary steps to achieve this as well as all the resolutions passed at this Annual General Meeting.		

#### 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 Plot 266, FMBN Building, CBD, 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  
ANNUAL GENERAL MEETING

PLEASE ADMIT ONLY THE SHAREHOLDER NAMED ON THIS CARD OR DULY APPOINTED PROXY TO THE ANNUAL GENERAL MEETING TO BE HELD AT THE LADI KWALI HALL , SHERATON HOTELS & TOWERS, Abuja on Tuesday, 3rd November 2009

SHAREHOLDER'S PROXY NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

SIGNATURE OF PERSON ATTENDING: \_\_\_\_\_



[www.asopl.com](http://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