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

2021 ANNUAL REPORT

of the Directors and Audit Committee and Financial Statements with Independent Auditors' Report

ASO
SAVINGS & LOANS PLC.
RC No. 283162

...built around you

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CORPORATE HISTORY

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

We formally commenced business on January 2, 1997 and converted to a public limited 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 less than 16% of the company's equity and in the process acquired over 3,000 new shareholders.

We are listed on the floor of the Nigeria Stock Exchange on April 25, 2008. As at December 2013, ASO had shareholders funds in excess of ₦5.3bn.

CORPORATE PROFILE

OUR VISION
To be the Mortgage Bank of Choice.

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

Corporate Head Office
Plot 266 FMBN Building,
Cadastral Zone AO, Central
Business District, Abuja.

Other branches
Please visit our website www.asoplc.com for the list and addresses of our various branches nationwide.

NOTICE OF 18TH-27TH ANNUAL GENERAL MEETINGS

NOTICE IS HEREBY GIVEN that the 18th - 27th Annual General Meetings of ASO SAVINGS AND LOANS PLC (the Bank) will be held virtually on Monday, 30th June 2025 at 11:00am. The link for the live streaming will be made available on the Bank's Website, www.asoplc.com to transact the following business:

ORDINARY BUSINESS:

1. To receive and consider the Audited Financial Statements for the years ended 31st December 2015 – 2024 together with the Reports of the Directors, Auditors and Audit Committee thereon.
2. To re-elect Directors retiring by rotation.
3. To ratify the appointment of Directors.
4. To ratify the appointment of Sola Oyetayo & Co as the External Auditor of the Bank, successively for the years ended 31st December 2016 to 31st December, 2024 and to re-appoint Sola Oyetayo & Co as the External Auditor of the Bank for the financial year ending 31st December, 2025.
5. To authorize the Directors to fix the remuneration of the External Auditors.
6. Disclosure of the remuneration of Managers of the Bank.
7. To elect/re-elect Shareholders Representatives of the Statutory Audit Committee.

SPECIAL BUSINESS:

8. To approve the remuneration of Non-Executive Directors.
9. To authorize the Directors of the Bank, pursuant to Article 48 of the Bank's Article of Association, to raise additional capital for the Bank whether by way of rights issue, private placement, public offer, book building process or other methods, the issuance of corporate bonds in such size or volume, 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 the relevant regulatory authorities.
10. To authorize the Directors to enter into or execute any agreement, deeds, notices and any other documents as well as appoint and determine fees of such professional parties or advisers necessary for and/or incidental to effecting resolution 9 above and such further resolutions deemed necessary in furtherance thereof.
11. To authorize the Directors to increase the share capital by such size and in such manner as well as make such allotments necessary, consequent and/or incidental to effecting resolution

9 above and make any further necessary or incidental modification to the memorandum and articles of association or any other necessary document or platform in this regard.

12. To consider and if deemed necessary, in furtherance of resolution 9 above, pass the following as special resolutions:

a. "That the 14,741,733,802 (Fourteen Billion, Seven Hundred and Forty One Million, Seven Hundred and Thirty Three Thousand, Eight Hundred and Two Naira) ordinary shares of 50 Kobo each in the share capital of the Bank be consolidated at a ratio of three (3) existing shares into one (1) new share, resulting in 4,913,911,267 (Four Billion, Nine Hundred and Thirteen Million, Nine Hundred and Eleven Thousand, Two Hundred and Sixty Seven) ordinary shares of 50 Kobo each with same rights and restrictions as the existing shares prior to the consolidation".

b. "That the reduced share capital of N4,913,911,267 (Four Billion, Nine Hundred and Thirteen Million, Nine Hundred and Eleven Thousand, Two Hundred and Sixty-Seven Naira) divided into 9,827,822,535 (Nine Billion, Eight Hundred and Twenty-Seven Million, Eight Hundred and Twenty-Two Thousand, Five Hundred and Thirty-Five) ordinary shares of 50 kobo each pursuant to the resolution above be credited to the Bank's share reconstruction reserve account".

c. "That the Board of Directors be and are hereby authorized to take or direct as it may deem fit, all actions and steps that are considered necessary to give effect to the above resolutions 9 – 12 herein, including but not limited to engagement of necessary professional advisers, rounding adjustments to fractional shares, necessary alteration of the Memorandum and Articles of Association as well as all other steps and actions with the relevant regulatory bodies, courts or however required in furtherance of resolutions 9 – 12 herein".

Dated this 23rd Day of May, 2025
By Order of the Board

Akachukwu Okechukwu
Company Secretary/Legal Adviser
Plot 266 FMBN Building, Cadastral Zone AO, Central Business District, Abuja.

NOTES:

1. **Attendance and Voting by Proxy:**
A member entitled to attend and vote at this meeting is entitled to appoint a Proxy to attend and vote in his/her stead. A proxy need not be a member of the Bank. A proxy form is enclosed. For the appointment to be valid, the proxy form must be duly completed and deposited at the Office of the Registrar, First Registrars & Investor Services Ltd, Plot 2 Abebe Village Road, Iganmu, Lagos not later than 48 hours prior to the date of the meeting.

2. **Online Accreditation/Attendance of Shareholders:**
Provision has been made for online attendance by Shareholders. The link will be available on the Bank's website via www.asoplc.com. In addition, a message containing a unique link to be utilized in attending the meeting will, not less than 48

hours prior to the meeting, be sent through SMS and E-mail addresses to all Shareholders who have supplied valid phone numbers and E-mail Shareholders in their records with the Registrars.

3. **Electronic version of the Annual Reports:**
   Electronic versions of the Annual Reports are available and can be downloaded at www.asoplc.com. Shareholders who have provided valid email addresses to the Registrar will receive the electronic version of the Annual Report via email.

4. **Closure of Register**
   The register of Members will be closed on Friday, 13th June, 2025.

5. **Re-election of Directors:**
   In accordance with the provisions of the Bank's Articles of Association, the specific Directors to retire by rotation at the Meetings have been disclosed in the Annual Reports of the respective financial years in which the Directors were due to retire by rotation. The retiring Directors, being eligible, have offered themselves for re-election. Their respective profiles are available on the Bank's website.

6. **Ratification of the appointment of Directors:**
   Since the last Annual General Meeting of the Bank, the following person has been appointed as Directors by the Board of Directors and will be presented at the Meeting for Shareholders ratification of her appointment:

   a. Amb. Dr. Mrs. Maureen Tamuno – Non-Executive Director
   The profile of the aforementioned Board appointee is contained in the Bank's website and Annual Report.

7. **Statutory Audit Committee:**
   In line with S. 404 (6) of the Companies and Allied Matters Act (CAMA) 2020, any Shareholder may nominate a Shareholder for appointment to the Statutory Audit Committee. Such nomination should be in writing and should reach the Company Secretary at least 21 (Twenty-One) days before the Annual General Meeting.

   All members of the Statutory Audit Committee should be financially literate and at least one of them must be a member of a professional body in Nigeria established by an Act of the National Assembly and also be knowledgeable in Internal Control processes.

   Thus, nominations to the Statutory Audit Committee should be accompanied by Curriculum Vitae (CV) of all the nominees.

8. **Questions from Shareholders:**
   Shareholders reserve the right to ask questions prior to, and at the Annual General Meeting. Such questions should be in writing and addressed to the Company Secretary and reach the Bank at its Head Office by electronic mail at corporatesecretariat@asoplc.com not later than Monday, 23rd June 2025.

9. **Profile of Directors:**
   The Profile of Directors are available on the Bank's website www.asoplc.com and Annual Reports.

CHAIRMAN'S STATEMENT 2021

Dear Shareholders, I will start by apologizing for the delay in presenting the 2021 Financial Year Annual Reports to the Shareholders. This was mainly due to the challenges in the preparation and auditing of the account as well as obtaining approval from the Central Bank of Nigeria (CBN). The challenges have led to late finalization of the accounts, and we are working assiduously to ensure that all outstanding accounts are finalized in due course and presented to the Shareholders. We appreciate the importance of timely presentation of our accounts and will ensure that necessary processes are put in place to this end.

It is my pleasure to present the Annual Report of our Bank, Aso Savings and Loan Plc for the 2021 Financial Year. The year was eventful and marked by global as well as domestic macroeconomic developments, which impacted our business significantly. Ladies and gentlemen, the resilience of our Bank's business model enabled us to go through these economic storms. Permit me to highlight the major global and domestic events that impacted our business, while also pointing out the landmark achievements of our bank during the year.

GLOBAL ECONOMY

Global economy in 2021 was marked by a strong but uneven recovery from the COVID-19 pandemic with Gross Domestic Product (GDP) growing by around 6%, according to the International Monetary Fund (IMF). Also, inflation surged worldwide, driven by supply chain bottlenecks, labor shortages, and increased consumer demand, with oil prices rising above $80 per barrel due to supply constraints. Central Banks initially kept interest rates low to support recovery but signaled a shift towards tightening policies as inflation rose while stock markets reached record highs, driven by strong corporate earnings and government support, with Cryptocurrencies having a boom and Bitcoin reaching an all-time high of $69,000 in November before declining.

NIGERIAN ECONOMY

Nigeria's economy in 2021 experienced a moderate recovery from the COVID-19-induced recession of 2020, driven by higher oil prices, improved agricultural output, and government policies. The GDP grew by 3.4% in 2021, rebounding from the -1.92% contraction in 2020 but the overall economic growth remained below population growth (-2.6%), meaning per capita income did not improve significantly. Crude oil prices rose above $80 per barrel, boosting government revenues but the country struggled with low oil production, averaging around 1.6 million barrels per day (mbpd), below its OPEC quota of 1.8 mbpd. Moreover, inflation averaged 17% in 2021, with the Central Bank of Nigeria (CBN) maintaining a high interest rate (Monetary Policy Rate at 11.5%) to control the inflation.

THE BANKING INDUSTRY

The banking sector grew by 4.1%, contributing significantly to Nigeria's 3.4% GDP growth and total assets in the sector surpassed ₦60 trillion, driven by deposit growth and credit expansion. Banks increased lending to the private sector, with total credit to the economy reaching ₦24 trillion by year-end. The Naira depreciated significantly, leading to tighter foreign exchange controls by the CBN through the banning of forex sales to Bureau de Change (BDC) operators, thereby increasing pressure on banks to manage foreign exchange supply. Also, average industry Non-Performing Loans (NPLs) ratio improved to 4.85%, although still slightly below the CBN's recommended threshold of 5% and the CBN introduced Global Standing Instruction (GSI) to reduce loan defaults by allowing banks to recover debts from customer accounts across banks.

ASO'S FINANCIAL PERFORMANCE

From prior years loss position of (N1.16 billion) in 2018, (N3.46 billion) in 2019 and (N5.97 billion) in 2020, the Bank posted a profit position of N17.79 million in the 2021 financial year. Our Total Assets also grew from N32.96 billion in 2020 to N34.74 billion in 2021.

This tremendous improvement in performance is a pay-off from the strategic guidance of the Board, complemented by the focus and dedication of the new Management team. We further to sustain and improve on this trajectory in the years ahead.

BOARD MATTERS AND CORPORATE GOVERNANCE

During the course of the year, the Board witnessed a few changes as Mr. Adekunle Adedigba resigned as Managing Director/CEO with effect from April 30, 2021 and was replaced by Mrs. Risikatu Ladi Ahmed, formerly an Executive Director, who was appointed as Managing Director/CEO with effect from May 1, 2021. Mr. Olutoyin Okeowo also resigned as Independent Director with effect from June 11, 2021 after serving the Institution meritoriously. We wish them all the best in their future endeavours.

The following new Board appointments were made within the year, subject to the approval of the Central Bank of Nigeria (CBN):

S/N	Name	Status
1	Abdul Kofarsauri	Non-Executive
2	Henry Sementari	Non-Executive (Independent)
3	Umar Iliya Damagum	Non-Executive
4	Daniel Dayo Kunle	Non-Executive (Independent)
5	Isiyaku Ismaila	Non-Executive
6	Richard Femi Bello	Executive
7	Enesi Makoju	Executive

As at 31st December, 2021, the approval request for these appointments was still pending with the CBN.

OUTLOOK

The Nigerian economy in 2022 is projected to continue its moderate recovery, but will face significant challenges such as rising inflation, foreign exchange (FX) instability, fuel subsidy pressures, debt concerns, and insecurity. The World Bank is projecting a 3.3% GDP growth, citing inflation and insecurity risks, with crude oil prices expected to exceed $100 per barrel, raising government revenues. Also, it is expected that to address these economic challenges, the CBN will maintain a tight monetary policy to control inflation (with Monetary Policy Rate to be likely raised to 15.5% later in the year) and this increase will lead to higher lending rates, making mortgages less affordable for many Nigerians as the average lending rate will reach 18.39% in November 2024.

The macroeconomic environment remains volatile, but we remain optimistic about the opportunities in the mortgage sector. Our strategic focus will be on exploring alternative ways of doing business within the permissible regulatory guidelines in the light of the holding action restriction. The strategies will also involve deepening mortgage offerings, financial inclusion expansion, regulatory engagements, risk management system, operational efficiency and cost optimization. We are convinced that the Bank is in a good position to implement these strategies for maximum output.

We appreciate our shareholders, customers and partners for their continuous support and pray for their backing as we go through the year, while we hope the year will be rewarding for the Bank.

CONCLUSION

In conclusion, 2021 was a pivotal year for our bank as we regained profitability and set a solid foundation for sustainable growth. Our strategic initiatives, operational efficiencies, and commitment to sound corporate governance have positioned us on a renewed trajectory of financial strength. While challenges remain, we are confident in our ability to build on this momentum and deliver greater value to our stakeholders.

On behalf of the Board, I extend my heartfelt appreciation to our shareholders, customers, regulators, and employees for their continued trust and support. Together, we will drive long-term success and industry leadership

Thank you.

Abdul Kofarsauri
Chairman, Board of Directors

CHIEF EXECUTIVE OFFICER'S STATEMENT 2021

1. Introduction:
I am pleased to present our Annual Reports for the year 2021, a year that tested our resilience, strengthened our vision and reinforced our commitment to excellence in Nigeria's mortgage banking sector.

The year 2021 witnessed the emergence of a new Management team in May and was characterized by a transformative quest to reverse prior years losses, resuscitate the business and operations of the Bank and set the path towards its sustainable growth.

2. Economic and Industry Overview
The Nigerian economy showed signs of gradual recovery in 2021 following the global disruptions and recession experienced in the previous year from the COVID-19 pandemic. The country's Gross Domestic Product (GDP) grew by 3.4%, driven by improvements in the oil and non-oil sectors. However, economic recovery was uneven with persistent inflationary pressures, exchange rate volatility and supply chain disruptions impacting business operations.

Inflation remained high, averaging 17% in 2021, though it declined from its peak of 18.17% in March. The high inflation rate affected the purchasing power of consumers, making housing affordability more challenging. The Central Bank of Nigeria (CBN) maintained a relatively stable Monetary Policy Rate (MPR) at 11.5% to stimulate economic recovery activity while keeping inflation under control.

Foreign exchange volatility was another major concern, with the Naira depreciating against major currencies due to declining foreign reserves and reduced foreign investment. This currency pressure affected the cost of building materials, thereby increasing property development costs.

The rising inflation and interest rates impacted mortgage affordability and the Bank's cost of funds, although mortgage institutions continued to explore flexible loan structures, such as extended tenures and reduced equity contributions to improve accessibility.

The real estate sector experienced mixed performance with demand for residential properties remaining strong in most urban areas. However, rising construction costs due to inflation and currency depreciation put pressure on developers and home buyers.

3. Financial Performance
Upon assumption of office this year, our new Management team made a definite statement on the performance and growth

trajectory of the Bank by reversing the successive losses recorded within the previous years. From prior years' loss position of (N1.16 billion) in 2018, (N3.46 billion) in 2019 and (N5.97 billion) in 2020, the Bank posted a profit position of N17.79 million in the 2021 financial year. Our Total Assets also grew from N32.96 billion in 2020 to N34.74 billion in 2021.

This upsurge in performance witnessed within the year is attributed to the transformative strategic initiatives of the new Management on various aspects including cost optimization, efficient management of delinquent facilities, diversification of revenue streams within regulatory permissible guidelines, improved stakeholder engagement and enhanced leadership strategy.

4. Regulatory Compliance and Corporate Governance

This year presented significant challenges to our Corporate Governance framework. Our Board composition was significantly depleted due to board exits, mainly arising from coincidental expiration of tenures within the period. Although Board appointments were made by the Board shortly before its composition depletion, the necessary regulatory approval for such appointments was still pending as at 31st December, 2021. This constrained the functionality of our Board and Board Committees, especially within the second half of the year.

The historical shortfall in accounts rendition as well as general regulatory compliance was also a major concern for the new Management. Thus, efforts are in top gear to conclude audit work, secure regulatory approvals and present to our Shareholders, our audited accounts for the 2013 to 2020 financial years.

While intensifying engagements with our regulators and key stakeholders, we have further strengthened our legal, risk management and internal compliance processes and framework towards enhancing our regulatory compliance.

Mindful of the need to recapitalize the Bank to ensure its long-term survival and sustainable growth, we maintained focus on the foundational basis, including conclusion of our historic outstanding accounts, strengthening of our risk management and compliance systems as well as institutionalization of a robust corporate governance framework.

5. Strategic Initiatives and Innovation

Notwithstanding the Holding Action directive placed on our Bank since 2016 by the CBN, which in turn constrained our business operations, the new Management upon assumption of office in May immediately identified workforce commitment as a critical success factor for its transformation agenda. To this end, various employee motivation initiatives were implemented within the limits of prevailing constraints.

A redefined approach to recovery and debtor-managements was similarly adopted. Income leakages were controlled, operational costs were optimized and permissible housing project partnerships were further commenced to enhance market visibility. Our strategic initiatives extended to calculated measures to enhance brand visibility as well as strategic asset recovery and enhanced customer and stakeholder engagement.

These strategies cumulatively improved our workforce motivation, liquidity generation and operational sustenance, while setting the pace for our sustainable business growth.

6. Outlook for 2022

As we look ahead in 2022, we remain optimistic about the opportunities within Nigeria's mortgage banking sector, despite lingering economic uncertainties. Despite these challenges, we anticipate continued policy support from the Government and regulatory bodies aimed at improving access to affordable housing finance.

In the light of our improved engagement framework, we envisage an enhanced regulator/stakeholder confidence and support as well as a strengthened corporate governance structure as a veritable bedrock for our medium to long term strategic objectives.

7. Conclusion

The year 2021 marked a turning point for our Bank as we took decisive steps to overcome past challenges and reposition the Bank for sustainable growth. Through strategic business reforms, enhanced compliance and control, renewed commitment to customer service and improved regulatory and stakeholder relations, we have laid the foundation for an enviable future for this great institution.

As we move into 2022, we are optimistic about the prospects ahead and remain committed to delivering long-term value to our shareholders, customers and other stakeholders.

I extend my sincere gratitude to our employees and partners for their unwavering dedication, and to our customers for their trust in us. Together, we will continue to build a resilient and innovative bank that defies all odds to achieve its vision of becoming the Mortgage Bank of choice in Nigeria.

Thank you,

Risikatu Ladi Ahmed
Managing Director/Chief Executive Officer

ASO Savings & Loans Plc

General Information

Nature of business and principal activities	Primary Mortgage Institute (PMI)
Date of Incorporation	9 November 1995
Mortgage License Number	000310
Directors	**Ali Magashi** - Board Chairman **Olutoyin Okeowo** - Independent Director **Adekunle Adedigba** - Managing Director/CEO **Risikatu Ladi Ahmed** - Executive Director, Retail banking
Registered office	Plot 266 FMBN Building Cadastral Zone AO, Central Business District, Abuja.
Country of incorporation and domicile	Nigeria
Business address	Same as registered office
Postal address	Same as registered office

Auditors	Sola Oyetayo & Co. (Chartered Accountants) 33 Ogunlowo Street Off Awolowo Street Ikeja, Lagos Nigeria
Bank registration number	283162
Tax reference number	01249250-0001

ASO Savings & Loans Plc
Corporate Governance Report

1. OUR CORPORATE GOVERNANCE VALUES
Our Corporate Governance values are underscored by the following principles: Transparency, Full disclosure, Ethical business conduct as well as Compliance with the letters, and more importantly, spirit of the statutory/regulatory provisions on Corporate Governance. To this end, we are strictly guided by the Central Bank of Nigeria (CBN) Code of Corporate Governance, Securities and Exchange Commission (SEC) Code of Corporate Governance, SEC Corporate Governance Guidelines (SCGC) and the National Code of Corporate Governance, complemented with the best global practices on Corporate Governance.

We believe that through the right governance structures, processes and principles, we will sustain an ethically driven business that enhances maximisation of Shareholders and Stakeholders value and guarantees our long-term sustainable growth and success. This Report highlights how far we have gone towards institutionalisation of effective Corporate Governance within this Financial Year.

2. THE BOARD OF DIRECTORS

2.1. Overview
Our Board provides guidance and strategic oversight and is ultimately responsible for the effectiveness of our Corporate Governance framework. It is comprised of Executive, Non-Executive and Independent Directors. The Board Chairman, a non-Executive Director, provides overall leadership and direction for the Board and the Bank. To this end, the Chairman oversees the Board proceedings and safeguards its alignment with the Bank's vision and goals. He further ensures active engagement by the Board members as well as an effective communication between the Board and Shareholders.

The day-to-day business operations of the Bank is delegated to the Executive Management headed by the Managing Director/CEO, who is distinct from the Chairman. The Non-Executive Directors act as a counterbalance to the influence of the Chairman or CEO on board decision making as well as provide a wide range of skills, independent judgment and experience to the Board. The Bank Secretary/Legal Adviser is the Secretary to the Board and amongst other functions, acts as a liaison between the Board and Management and advises the Board on Corporate Governance and other legal/regulatory issues.
To safeguard independence, there is no filial or spousal relationship between the members of the Board. None of the members sits on the Board of a Bank in the same industry or competition with our Bank.

Our Board is diverse in composition with a balance of expertise, skills, perspectives and experiences drawn from various fields including Law, Accounting, Business Administration, Economics, Management Sciences and Finance. This composition promotes a robust and effective board interaction and effectively checks the possibility of dominance by an individual member. Sufficient care is also taken to ensure that potential Board members commit the necessary time and effort towards discharging their obligations. Appointment to the Board is based on merit and plans are in place for an orderly succession of members.

2.2. Developments within the 2021 Financial Year

1. Resignations: The following Directors resigned from the Board within the Year:
i. Mr. Adekunle Adedigba (Managing Director/CEO) w.e.f. 30th April, 2021.
ii. Mr. Olutoyin Okeowo (Independent Director) w.e.f. 11th June, 2021.

2. Appointments: The following Board appointments were within the Year:
I. Mrs. Risikatu Ladi Ahmed (Executive Director) was appointed as the Managing Director/CEO w.e.f. 1st May, 2021.

The following new Board appointments were also made:

	NAME	STATUS
1	Abdul Kofarsauri;	Non-Executive
2	Henry Semenitari	Non-Executive (Independent)
3	Umar Iliya Damagum	Non-Executive
4	Daniel Dayo Kunle	Non-Executive (Independent)
5	Isiyaku Ismaila	Non-Executive
6	Richard Femi Bello	Executive
7	Enesi Makoju	Executive

The approval of the Central Bank of Nigeria (CBN) has been formally sought for these Board Appointments. As at 31st December, 2021, the approval request is still pending with the CBN.

2.3. Relationship with Management

There is a formal and strong delineation between the responsibilities of the Board and the Management. While the Management carries out the Board's directives and manages the daily affairs of the Bank, the Board determines and oversees implementation of the Bank's overall strategic objectives, risk strategy, corporate governance and corporate values. In this regard, the Board has established a rigorous and strong compliance system that provides it with necessary information to accurately assess Management's performance against set objectives. Notwithstanding the delegation of any duty or authority to the Management, the Board has retained the overall responsibility on accountability for the affairs and performance of the Bank.

Within the financial year, the Management has availed the Board with quarterly reports, at a periodic minimum, on the position and performance of all strategic units of the Bank. The Board has in response provided advice, issued directives and in circumstances deemed deserving, vetoed Management decisions. The Board has also requested for presentations as well as compelled attendance of various members of the Management team to its meetings for the purpose of clarifications on various aspects of the Bank's business or transactions. Overall, our Board has seamlessly aligned Management decision making with the interest of the shareholders and other stakeholders while still maintaining a positive relationship anchored on mutual trust and integrity.

2.4. Duties of the Board

Our Board is primarily responsible for ensuring good Corporate Governance in the Bank. It steers the Bank, sets and oversees implementation of the strategic aim and financial objectives, puts in place adequate internal controls and periodically reports the activities and progress of the Bank in a transparent manner to the shareholders. Crucial to an effective discharge of the Board duties is the Bank Secretary who amongst other duties avails secretarial duties to the Board as well as assists the Board and Management in developing and implementing good Corporate Governance practices and culture. The Board has been saddled with, and indeed has effectively discharged the following responsibilities:

- Overall strategic direction of the Bank;
- Effective oversight on the general activities of the Management team;
- Institutionalization of sound Corporate Governance practices;
- Effective management of the Bank's risk management framework;
- Oversight functions per effectiveness and adequacy of the Bank's internal control system;
- Ensuring the integrity of the financial reports and reporting system;
- Ensuring legal, regulatory and ethical compliance;
- Sound Investment and financing decisions, amongst others

The Board majorly undertakes these responsibilities through various Board Committees but nevertheless retains ultimate responsibility notwithstanding delegation to the Committees.

2.5. Board Remuneration

The Bank recognises that the formulation of Board remuneration is a fundamental issue for good corporate governance. To this end, the remuneration level is sufficient to attract, retain and motivate Directors of the quality required to run the Bank successfully while ensuring the Bank does not pay more than is necessary for this purpose.

The remuneration of the Directors is recommended by the Corporate Governance & Nomination Committee, decided by the Board of Directors and approved by the Shareholders at the Bank's General Meeting. Non-Executive Directors are paid remuneration by way of sitting allowances and quarterly fees, while the Bank pays remuneration to its Managing Director and Executive Directors by way of salaries and perquisites. This remuneration package of the Executives also includes a variable performance related element.

Within the year there was no materially significant transaction between the Bank and Directors that may have potential conflict with the interests of the Bank. The details of Directors' remuneration are always disclosed in the Annual Report and approval of the Shareholders is always sought before any review of same. There is also a formal and transparent procedure for fixing the remuneration packages of Directors and no Director is involved in deciding his or her own remuneration.

2.6. Performance Evaluation

The Board acknowledges the importance of a formal and rigorous annual evaluation of its own performance as well as that of its Committees, Chairman and individual Directors. To ensure objectivity, the Board further recognises that the evaluation should be based on set key criteria and conducted by an independent external consulting firm.

The evaluation process is designed to be used constructively as a mechanism to improve Board effectiveness, maximise strengths and tackle weaknesses. It also assists the Board in decisions affecting appointment, removal and training of Directors.

2.7. Orientation and Training

The Board has established an orientation programme to familiarize new Directors with the Bank's operations, strategic plan, senior management and business environment, as well as to induct them in their fiduciary duties and responsibilities. The Directors have also participated in periodic, relevant, professional continuing education programmes in order to update their skills and knowledge and keep them abreast of developments in the Bank's business and operating environment. These programmes are undertaken at the expense of the Bank.

Furthermore, the Bank has ensured that the Directors, especially Non-Executive Directors, have access to independent professional advice at the Bank's expense, where they deem it necessary for an effective discharge of their responsibilities.

2.8. Committees of the Board

Four (4) Board Committees assist the Board in discharging its functions; Statutory Audit Committee, Board Risk Management and Investment Committee, Board Credit Committee and Board Corporate Governance and Nomination Committee. These Committees are guided by their respective charters which define their mandate, composition and working procedure. Membership is carefully drawn to provide the relevant skills and competencies required per each Committee's mandate. Although basically constituted by Board Members, attendance of relevant Senior Management staff may be required to assist with the deliberations. Independent external professional advice is also sought in deserving circumstances. The Bank Secretary acts as secretary to the Committees and is in attendance in all their meetings.

<u>Statutory Audit Committee</u>:

The Audit Committee is composed of representatives from the Board and Shareholders. The Executive Directors and relevant Management staff are usually in attendance to provide further details or explanations as may be required by the Committee. The Committee was chaired by a representative appointed by the Shareholders. The members generally possess the requisite financial expertise for an effective discharge of their duties.

The Committee's mandate is contained in their charter and include the following responsibilities:

- Assessing and ensuring the effectiveness of the internal and external audit process;
- Reviewing the scope and planning of audit requirements for the year's audit as well as ensuring the effective co-ordination of audit exercises;
- Reviewing the findings on Management letters in conjunction with the External Auditors and the responses to audit queries from Management;
- Reviewing and maintaining the effectiveness of the Bank's system of accounting and internal control;
- Assisting in the oversight of the integrity of the Bank's financial statements;

- Making recommendations to the Board with regard to the retention and remuneration of the Bank's External Auditors, as well as reviewing and monitoring their independence and objectivity;
- Ensuring compliance of the accounting and reporting policies of the Bank with the legal requirements and ethical practices;
- Reviewing the draft half year and annual financial statements prior to submission to the Board;
- Reviewing and maintaining the integrity and effectiveness of the Bank's whistleblowing system and processes.

The Management had ensured that the Committee was kept properly informed. The members were also availed suitable training to keep them up to date on developments in financial reporting and Bank law. Although formal meetings are the heart of the Committee's work, the Committee Chairman and to a lesser extent, the other members have kept in touch on a continuing basis with the key people involved in relevant aspects of the Bank's governance.

Board Risk Management and Investment Committee:

This Committee was set up to assist the Board in its determination and oversight of the risk profile, risk management framework and risk-reward strategy of the Bank. Its mandate includes:

- Reviewing periodic relevant reports to ensure the on-going effectiveness of the Bank's risk management framework;
- Overseeing the effective management of all risks faced by the Bank except credit risk;
- Ensuring that the risk management framework is integrated into the day to day operations of the Bank while providing guidelines and standards for administering the acceptance and on-going management of key risks in the Bank;
- Reviewing the processes for assessing and improving controls for the management of risk in the Bank;
- Ensuring the Bank's information security policies, business continuity management and disaster recovery plans are comprehensive and adequate;
- Monitoring compliance with established policies through periodic review of reports provided by management, statutory auditors and the supervisory authorities;
- Overseeing the activities of Management regarding investment of the Bank's funds.

Board Credit Committee:

As a leading player in the Mortgage Banking industry, the Board Credit Committee plays a critical role in the Corporate Governance structure of the Bank. Its mandate includes:

- Supervision of the effective management of credit risk in the Bank;
- Approval of credit risk management policies, underwriting guidelines and standard proposals on the recommendation of the Management Committee;
- Approval of credit risk appetite/tolerance, credit risk management strategy and target credit portfolio plan for the Bank;
- Approval of the new credit products/processes designed within the year;
- Approval of reassignment of credit approval authority on the recommendation of the Management Committee;
- Approval of changes to the credit policy guidelines on the recommendation of the Management Committee;
- Review of credit facility requests and recommendation of same to the Board for approval;
- Review of credit risk reports submitted for its consideration.

Board Corporate Governance and Nomination Committee:
The Committee's terms of reference includes the following:

- Continuous development, review and assessment of the system of Corporate Governance in the Bank as well as making appropriate recommendations to the Board in this regard;
- Oversight function on recruitment of senior management staff within Assistant General Manager to General Manager Grade;
- Advisory role to the Board on optimal Board size and structure, proposals and nominations for Board appointment, as well as screening of candidates recommended or head hunted for appointment to the Board;
- Ensuring that the principle of competitiveness, transparency, fairness and openness is adhered to in the Bank's procurement process above Management Committee approval limits as well as monthly review of procurement reports;
- Ensuring that the Bank complies with all laws and regulations in respect of Directors or Director-related party transactions;
- Recommending the approval of all employment contracts with Executive Directors;
- Reviewing and recommending on succession plan for Senior Management staff and any proposed amendments for approval by the Board;
- Review of the Bank's compensation structure to maximize its effectiveness while ensuring competitiveness;
- Review and approval of the Management succession plan policy;
- Performing any other duties or responsibilities expressly delegated to the Committee by the Board from time to time;
- Such general operations of ASO that are not covered by other Board Committees.

The table below shows the various Board and Board Committees meetings held within the year as well as recorded attendances for the respective members and required attendees. Explanatory notes have been supplied to avail clarifications where necessary.

3. Board Meetings

In line with the post COVID-19 lockdown protocols, Board Meetings within the Financial Year continued to be held remotely. Sufficient care was nonetheless taken to ensure that virtual convention of these meetings did not adversely affect the standard of deliberations or general oversight functions of the Board.

Board papers were made available to the Board in good time to enable the members adequately prepare for the meetings. The Board papers include Minutes of the previous sitting, Agenda of the present sitting, Updates on Action Points from the previous sitting and other necessary documentations that will assist an effective deliberation of the meeting's Agenda.

3.1. Board Meetings Attendances

Meetings held within the year witnessed a substantial level of attendances from the members. In the few situations of absences, the affected members had pre-informed the Board as well as discussed and shared opinion with the Chairman on the various items constituting the meeting's agenda.

Five (5) Board meetings were held within the Year. A Schedule of the meetings with the respective attendances are as follows:

S/N	NAMES OF DIRECTORS	23RD MARCH 2021	7TH APR 2021	22ND APR 2021	7TH MAY 2021	26TH MAY 2021	TOTAL ATTENDANCES
1	ALI MAGASHI	PRESENT	PRESENT	PRESENT	PRESENT	PRESENT	5/5
2	OLUTOYIN OKEOWO	PRESENT	PRESENT	PRESENT	PRESENT	PRESENT	5/5
*3	ADEKUNLE ADEDIGBA	ABSENT	PRESENT	PRESENT	N/A	N/A	2/3
4	RISIKATU L. AHMED	PRESENT	PRESENT	PRESENT	PRESENT	PRESENT	5/5
**5	IBRAHIM ORUMA	PRESENT	PRESENT	PRESENT	PRESENT	PRESENT	5/5
**6	ABUBAKAR SANI PAI	PRESENT	ABSENT	PRESENT	PRESENT	PRESENT	4/5

**Adekunle Adedigba resigned as the Managing Director/CEO as well as Board Member w.e.f. 30th April, 2021.*

**Ibrahim Oruma is the Chairman of the Statutory Audit Committee. Although not a Board Member, he is required, in line with the Bank's policies, to attend Board Meetings.*

***Abubakar Sani Pai was proposed by the Federal Capital Territory Administration (FCTA), through its investment agency, Abuja Investments Bank Limited (AICL) as its Board representative in our Bank. Although his formal appointment by the FCTA and our Board as well as the necessary regulatory approvals were not secured within the Financial Year, this Board nominee was in attendance at Board meetings, only in the capacity of an Observer.*

3.2. Audit Committee Meeting Attendances

The post COVID-19 nationwide lockdown protocols similarly necessitated a virtual convention of Audit Committee meetings. Sufficient care was also taken to ensure that virtual convention of the meetings did not adversely affect the standard of deliberations as well as the general duties of the Committee.

A Schedule of the Meetings held within the year with the respective attendances are as follows:

S/N	NAMES OF COMMITTEE MEMBERS	22ND MARCH 2021	TOTAL ATTENDANCES
1	IBRAHIM ORUMA	PRESENT	1/1
2	EL-AMIN BELLO	PRESENT	1/1
*3	OLUTOYIN OKEOWO	PRESENT	1/1
**4	ADEKUNLE ADEDIGBA	PRESENT	1/1
**5	ABUBAKAR SANI PAI	ABSENT	0/1
***7	TITILAYO DAHUNSI	PRESENT	1/1
****8	ASMAU ATTA	PRESENT	1/1

*The resignation of Mr. Olutoyin Okeowo, a Non-Executive and Board Representative on the Committee, w.e.f. 12th June, 2021 left the Audit Committee with only Shareholders Representatives and affected its quorum and ability to hold further meetings within the Financial Year. Although the Board had on 7th May, 2021 and 26th May, 2021 approved the appointment of 2 Executive Directors and 5 Non-Executives (Independent Directors inclusive) respectively and sought the requisite approval of the Central Bank of Nigeria (CBN) for the appointment, such regulatory approval was not secured within the Financial Year. This adversely affected an adequate composition of the Committee and further constrained its formal meetings. Nonetheless, the Management had consistently engaged and provided regular reports to the subsisting Shareholders Representatives of the Committee who continued to exercise the Committee's functions amidst the constraints.

**Though not a member of the Audit Committee, Adekunle Adedigba as the Managing Director, is required to be in attendance at the Meetings.

***Though not a member of the Audit Committee, Titilayo Dahunsi as the Chief Inspector, is required to be in attendance at the Meetings.

****Though not a member of the Audit Committee, Asmau Atta as the Group Head, Finance & Risk, is required to be in attendance at the Meetings.

3.3. Other Board Committees Meeting Attendances

The other Board Committees are as follows: Board Risk Management and Investment Committee, Board Credit Committee and Board Corporate Governance and Nomination Committee.

In view of the shortfall in Board composition within the Financial Year, these Board Committees could not be adequately composed and thus could not hold formal meetings within the Year. The Board nonetheless continued to directly exercise the required oversight functions while efforts were ongoing towards filling up the Board vacancies and reconstituting the Committees.

4. THE MANAGEMENT

The Management Team manages the day-to-day business operations of the Bank. To this end, the Management has set up the following Management Committees with defined mandate on specific aspects of the Bank's business and operations.

a) Executive Committee (EXCO): This is the highest decision-making organ of Management and is composed of the Executive Directors (Managing Director inclusive). The Bank Secretary acts as the Secretary to the Committee. At the Management level, it sets the overall strategic direction of the Bank and is the highest Management organ for deliberation, review and approval of critical decisions affecting the Bank.

b) The Management Committee (MC): The Committee meets every fortnight and is composed of senior executives manning various Groups and Divisions of the Bank. The Committee sets bank wide deliverables for the respective business units, reviews updates on same at each sitting as well as take necessary strategic decisions as required for the achievement of the corporate objectives.

c) The Asset and Liability Committee (ALCO): This Committee reviews the Assets and Liabilities of the Bank and maps out strategies and action points for optimisation of same in line with the corporate objectives. The Committee sits on a weekly basis, monitors global and local developments affecting the Bank's business, identifies the threats and opportunities and adapts he Bank's strategies accordingly.

d) Criticised Assets Committee (CAC): This Committee sits on a weekly basis to review the non-performing loans of the Bank and devise strategies on recovery.

e) Management Risk & Investment Committee (MRIC): The Committee reviews and approves prospective investments before the Bank undertakes same. It guides the overall investment decisions of the Bank as well as monitors and sets the Bank's risk management framework.

f) Management Credit Committee (MCC): The Committee amongst other functions, supervises the effective management of credit risk in the Bank, reviews credits facility requests as well as credit risk reports submitted for its consideration.

g) IT Steering Committee: The Committee assists Management with the implementation of the Bank's IT strategy. To this end, it reviews and approves the Bank's IT Plan and budget, recommends strategy for new technology and system, reviews and advises on IT risk and security issues, amongst various functions.

5. RELATIONSHIP WITH SHAREHOLDERS AND OTHER STAKEHOLDERS

5.1. Relationship with Shareholders

The Bank recognises that establishment of regular dialogue with Shareholders will assist in balancing their needs, interests and expectations with the objectives of the Bank.

To this end, the Bank maintains a shareholders' help desk manned by dedicated and well trained relationship managers for an effective resolution of shareholders enquiries and issues. Furthermore, the Bank recognises the constructive use of Annual General Meetings (AGMs) to communicate with shareholders and encourage their participation. Effective dialogue is maintained with the institutional shareholders and Shareholders Associations. Overall, the shareholders are fairly treated, given equal access to information and availed full voting and participatory rights.

5.2. Relationship with other Stakeholders

The COVID-19 pandemic played a significant role in shaping the Bank's relationship with its various stakeholders. Amidst the national lockdown, the Bank had to adapt a remote working arrangement for its staff, complemented by a work shift arrangement sequel to relaxation of lockdown. Notwithstanding the significant business disruption occasioned by the pandemic, the Bank ensured there was no job losses for its employees in spite of the global inclination in that regard.

Services to customers were restricted to the online platforms and with the relaxation of the lockdown, the services were extended to physical services strictly in line with the protocols set by Nigeria Centre for Disease Control (NCDC). The Bank also embarked on several enlightenment programs for its various stakeholders on the changes to its mode of operations and services made in adaptation of the Pandemic.

Overall, the Bank had continued to maintain a mutually beneficially relationship with its suppliers, discharge its legal and regulatory obligations in a timely and efficient manner as well as carried out its business in line with the best ethical standards and tenets of sound Corporate Social Responsibility (CSR).

6. RISK MANAGEMENT

6.1. Overview

Risk is inherent in ASO's business and influences every aspect of decisions taken within the Bank. A thorough understanding of the risks the Bank faces and managing them appropriately would enhance the Bank's ability to make better decisions, deliver on objectives, and improve performance. The Bank's stakeholders make investments in the Bank with the expectation of various objectives including earning good returns, capital appreciation and long-term investment opportunities. To satisfactorily manage stakeholder expectations, the Bank must understand its risks, dimension them and manage them effectively. Risks associated with the Bank's activities can be stratified into credit risk, liquidity risk, operational risk, construction risk, reputational risk and market risk. Some identified risks cut across one or more of these risk categories.

ASO therefore recognizes and appreciates the role of effective risk-management practices as fundamental to its business activities and growth prospects as well as the need for an integrated, enterprise-wide approach to manage these risks to an optimal level. The overall tone of risk management in ASO is set by the Bank's Board of Directors in a manner that aims to be value-adding to shareholders as well as keeping the reputation of the Bank intact. The objectives of the Bank's risk management function include ensuring that risk-taking activities are consistent with the Bank's risk appetite, reducing volatility of the Bank's earnings, managing unexpected losses, maximizing opportunities and earnings potential. A robust risk management framework continues to thrive within ASO to enable the Bank make informed decisions with respect to exploiting opportunities and mitigating possible threats and vulnerabilities. The framework which is supported by an experienced risk management team is aligned with recent developments in the market, regulatory guidelines as well as the Basel II and III requirements.

6.2. Risk Management Appetite and Culture

Risk appetite is an articulation and allocation of the risk capacity or substantial amount of risk the Bank is willing to accept in meeting its strategic objectives. ASO's risk appetite is expressed in terms of the level of variability of return it is ready to accept to achieve its desired level of result, bearing in mind the relationship between risk and return.

Risk culture is a representation and unified understanding of an organisation and its business purpose. It is typified by the system of values and behaviours present in an organization that shapes risk decisions of management and employees.

The Bank maintains a risk management philosophy that embraces a cautious but calculated and responsible approach towards taking risks. This is done by constantly evaluating the risks and rewards inherent in business transactions and targeting viable trade-offs. The Bank only takes on risk within its risk appetite and the Bank's board and management remain closely involved with risk initiatives above specified thresholds, with a focus on improving the Bank's capital.

The Bank's risk culture empowers staff at all levels in understanding and managing risks. The risk culture characterizes how the Bank considers its business objectives and enables risk managers to perform their duties professionally and independently without interference. This ensures that:

- The Bank's management makes informed decisions by identifying and assessing the risks involved in our business;
- Risk management is a shared responsibility and risk managers strive to achieve best practice in enterprise risk management;
- The Bank does not indulge in products and businesses where associated risks cannot be assessed or managed.

6.3. Enterprise Risk Management in ASO

The Board of Directors maintains overall responsibility for the establishment and oversight of the Bank's risk management policies via its specialized risk committees. These committees are responsible for monitoring risk policies, reviewing the Bank's activities and transactions in their specified areas and reporting regularly to the Board of Directors on their activities. At the board level, these include the Board Risk Management and Investment Committee and the Board Credit Committee. At management level, these include the Management Risk and Investment Committee.

The ownership for risk management thus resides with the Board of Directors who devolve their expectations down to front line managers and staff via board and management committees as well as senior management. The risk management functions within the Enterprise Risk Management Group also act as a principal conduit for the transfer of risk management information both ways.

The risk governance structure comprises of three distinct lines of defense with board oversight delineated in the governance structure clearly cutting across all lines. These lines include:

1. Risk Management and Ownership – This group includes Senior Management who take responsibility for risks generated within their processes and market-facing functions who take responsibility for risks generated by their activities and transactions. They have primary responsibilities for risk management.
2. Risk Oversight – This group undertakes continuous risk assessment over the Bank's activities and processes, providing an independent monitoring and advisory function to ensure any key risks that have not been addressed by the first line of defense, are managed.
3. Assurance Functions – This group is responsible for providing an independent assurance of the Bank's activities and transactions and provides an independent assurance function to the Board of Directors through the Board Audit Committee on the adequacy, appropriateness and effectiveness of the Bank's overall risk management framework, policy and risk plan implementation.

Dedicated functions within the Enterprise Risk Management function as highlighted above are tasked with implementing the Bank's risk management and internal control policies at a strategic and tactical level using an integrated approach to risk management. Risk assessments are integrated with business planning and development at the strategic level and process and transaction reviews at the tactical level. This is to ensure that the myriad of risks faced by the Bank are approached at an enterprise-wide level improving the efficiency of the risk management function and leading to resource savings. These functions lie within the second level of defence and include:

- Credit Risk Management;
- Operational Risk Management;
- Regulatory Compliance;
- Real Estate Risk Management;
- Remedial Management;
- Internal Control and Compliance

6.4. Credit Risk Management

Credit risk refers to the risk the Bank faces due to the failure of an obligor to repay principal or interest or both at a stipulated time or as agreed. Credit risk is compounded when collateral partly covers the Bank's exposure to the borrower or when the valuation of collateral is exposed to changes in market conditions. ASO recognizes that its main asset and major source of revenue is its loan portfolio and by extension, it becomes the greatest source of risk to the safety and soundness of the Bank. The Credit Risk Management function is responsible for monitoring the quality and performance of the credit portfolio as well as managing credit risks in the Bank's loan portfolio. The function is domiciled in the Credit Risk Management departments. Key responsibilities of the department include portfolio planning and monitoring, continuous review of the Bank's credit policies, credit analysis, administration and processing and mortgage insurance analysis and processing.

6.5. Operational Risk Management

Operational risks arise as a result of inadequate or failed internal processes, people or systems from external events. When crystallized, these may lead to unplanned losses which could have a significant impact on the Bank's capital base. Operational risk in ASO is managed through a framework that recognizes the ownership of the risk by the business unit heads and an independent review by the audit function. A key element in the Bank's operational risk framework includes tools to measure and manage operational risk. In this regard, the Bank maintains a loss events database that ensures all operational risk losses and near misses are captured and reported to Executive Management and the Board on a periodic basis. The unit conducts Risk and Control Self-Assessments (RCSA) for critical functions to ensure that key operational risk embedded within the Bank's processes are appropriately mitigated either by controls or a shoring up of the Bank's capital as a last resort.

6.6. Regulatory Compliance

The Bank's Compliance function is responsible for ensuring that the Bank complies with regulations applicable to its business and operations. These include anti-money laundering, conduct of business and countering terrorist financing. ASO's Compliance function is currently overseen by the Head of Operational Risk and Compliance who reports to the Group Head, Enterprise Risk Management with policy drive at the Board level driven by the Chief Compliance Officer. The function aims to continue promoting a culture of awareness to ensure that Bank staff understand key regulatory issues and updates with respect to know-your-customer requirements, money laundering and identifying suspicious transactions.

6.7. Real Estate Risk Management

The Real Estate Risk Management Department is tasked with the responsibility of ensuring that the Bank's risk assets are adequately collateralized. The Department oversees construction projects to ensure that both cost and quality of these projects meets the Bank's specific standards. Project monitoring is instituted from initiation to completion stages to manage construction risks with respect to budget overrun, construction delays and quality issues. The Department also carries out assessments and commissions valuation reports that form a basis for the consideration of collaterals and the disbursement of loans.

6.8. Remedial Management

The ability of any financial institution to recover non-performing loans can impact profitability and liquidity. The Remedial Management Department has the responsibility of managing identified delinquent accounts and instituting effective and practical approaches to recover these facilities. The Department maintains an excellent working relationship with law enforcement agencies and agents in its recovery processes, and retains significant Management support in ensuring it surpasses its target year on year.

6.9. Internal Control and Compliance:

Internal controls are fundamental to ensure proper recording of transactions, without which financial data may become unreliable and mislead decision making. The Bank has an internal control system that identifies control weaknesses and provides measures to overcome the weaknesses identified. Internal Control and Compliance is the department tasked with implementing the Bank's control framework in line with the COSO framework; the fundamental philosophy guiding the Bank's internal control mechanism.

This framework has been used over the years to review the adequacy of the Bank's internal control platform. It also forms the basis for future amendments and changes to the internal control posture of the Bank. During the financial year, the Department further reviewed its guidelines, policies and procedures and revised its control system across the Bank's branches for improved efficiency in monitoring. The implementation of the automated internal control system (AICS) is proceeding according to plan and is aimed at better control efficiencies and cost reductions in running a successful policy oversight function. Optimised risk assessment and management is a further benefit of this automation.

7. Capital Management

The Bank's objectives when managing capital are to safeguard the Bank's ability to continue as a going concern – safety, soundness and stability - in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal structure to reduce the cost of capital (through objective capital allocation, monitoring of capital utilization and monitoring of prudential ratios).

Capital management planning enables Management to make informed judgments about the appropriate amount and composition of capital needed to support the bank's business strategies across a range of potential scenarios and outcomes. Irrespective of how the Bank's capital planning process is oriented, it should aim at the sound practice of producing an internally consistent and coherent view of the Bank's current and future capital needs.

Every bank must hold adequate capital to ensure that it remains solvent even if it experiences an unusually large loss or other adverse outcomes from its business transactions and activities. The amount of capital that a bank must hold is therefore directly proportional to the level of risk that it faces. In keeping with the capital management objectives, the Bank ensures:

- Adequacy of processes put in place for capital planning;
- Prudent portfolio management;
- Risk-return profiling of all business decisions tied to risk taking;

Objective Capital Assessment and Risk Appetite

Aside serving as a buffer against insolvency, the Bank's capital levels determine to a large extent, the degree of confidence that stakeholders (customers, investors, depositors and counterparties) would have in the Bank. Specifically, the Bank maintains a capital buffer to:

- Absorb large unexpected losses;
- Protect customers and other investors;
- Support satisfactory credit rating

To sustain a high level of confidence in its operations, the Bank has in place Board defined governing structures that ensure Management adheres to risk appetite and exposure levels defined in pursuing business objectives. It is important that a capital planning process reflects the input of different experts from across the Bank, including but not limited to staff from business, risk, finance and treasury departments. This ensures strong links between the capital planning, budgeting and strategic planning processes within the Bank. Collectively, these departments provide a view of the Bank's current strategy, the risks associated with that strategy and an assessment of how those risks contribute to capital needs as measured by internal and regulatory standards.

In achieving the objectives for which they were setup, the entities saddled with capital management co-ordinate to oversee and develop the capital plan, working to formulate a response to factors that might necessitate capital additions, such as:

- Changes in regulatory requirements;
- Growth in assets and liabilities (both on and off-balance sheet);
- Changes in the Bank's risk profile;
- Amount of operating or investment losses suffered; and
- Bank's dividend payout policy.

In conformance with Central Bank of Nigeria imposed capital requirements and in keeping with industry best practice, the Bank maintains the following variants of capital:

1. Tier 1 capital, which includes ordinary share capital, share premium, retained earnings, translation reserve and minority interests after deductions for goodwill and intangible assets, and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes.
2. Tier 2 capital, which includes revaluation reserves for property, plant & equipment, general provisions, fair value reserves for available for sale securities, preference shares and subordinated term debt.

As a general matter, the credibility of a bank's capital planning can be questioned if the process does not adequately reflect material risks, some of which may be difficult to quantify. Banks, including ours, routinely quantify and hold capital against those risks that are specified in the minimum requirements or Pillar 1 of the Basel II/III regimes.

Banks with better practices have a comprehensive process in place to regularly and systematically identify, and understand the limitations of their risk quantification and measurement methods. In addition, banks seek to capture in their capital plans those risks for which an explicit regulatory capital treatment is not present, such as, but not limited to, positions that result in concentrated exposures to a type of counterparty or industry, reputational risk and strategic risk. This level of sophistication is the ultimate goal.

Above all, the Bank's strategy during the year, which was unchanged, continued with efforts to keep a strong capital base and to sustain future development of the business. The Bank recognizes the impact of the level of capital on shareholders' return and sought to maintain a balance between demands for higher returns for level of risk invested in and fiscal implications of requirements of a sound capital position brought about by regulations.

8. FINANCIAL REPORTING, ACCOUNTABILITY AND AUDIT

8.1. Accountability and Reporting

We acknowledge that the Bank's financial statements are the principal way in which the Directors make themselves accountable to the shareholders. To this end, emphasis is laid on the integrity of the reports and full disclosures are made in line with the legal and regulatory requirements.

To further ensure accountability, the Bank has a whistleblowing portal where staff can report genuine concerns about unethical behaviour, misconduct or misdemeanour in the organization. We have also established a formal whistleblowing procedure which amongst others, ensures that complaints are adequately investigated and whistle blowers protected. Overall, communication with shareholders, stakeholders and the general public is guided by the principle of timely, accurate and continuous disclosure designed to give a balanced and fair view of the Bank including its non-financial matters.

Critical to the integrity of our financial reporting is the assurance provided by audit. The Bank's Audit structure basically revolves around the Internal Auditors, External Auditors and Audit Committee.

8.2. Internal Audit

We operate an effective risk based Internal Audit function focused on a disciplined approach to evaluation of risk management, control and governance. The Internal Audit unit reports directly to the Board through the Statutory Audit Committee but nevertheless maintains a direct line of communication with the MD/CEO, with an unrestricted access to the Board and Audit Committee Chairmen. Its purpose, authority and responsibilities are guided by an Audit Charter.

Internal Audit activities within the year were in line with an annual risk based internal audit plan approved by the Audit Committee. Within the year, the Internal Audit has remitted monthly audit reports to the MD/CEO and quarterly audit reports to the Audit Committee. Exceptions raised in these reports have been treated with utmost significance and regularizations were strictly monitored and followed up.

8.3. External Audit:

The External Auditors provide an independent opinion on the true and fair view of the financial statements of the Bank to give assurance to the Shareholders and other Stakeholders on the reliability of the Financial Statements.

Sufficient care has been taken to ensure that the External Audit Firm hold no direct or indirect interests in the Bank as could affect its independence and objectivity. To this end, the Firm and its partners hold no business interest or any relationship with the Bank other than an auditor-client relationship.

The services of the Firm are strictly restricted to audit work. The representing partners are periodically rotated to guarantee independence without compromising continuity of the external audit process.

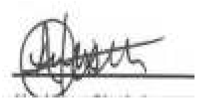
9. ETHICS AND CORPORATE SOCIAL RESPONSIBILITY (CSR):

We continuously strive to operate an ethically driven business process that enhances maximisation of Stakeholders business. Establishment of professional business and ethical standards further underscores our values for the protection and enhancement of the reputation of the Bank while promoting good conduct and investor confidence.

10. CONCLUSION:

Good Corporate Governance enshrines clear principles and controls, guides the leadership of the Bank and aligns the interest of the various stakeholders with the business conduct and decisions of the Board and Management. This is critical to the proper functioning of the Bank, enhances its reputation and ultimately guarantees our long-term sustainable success. Our Bank acknowledges a sound system of Corporate Governance as indispensable to our business and will continue to adapt and improve its policies, processes, systems and structures in line with the guiding regulations and global best practices in Corporate Governance.

11 December 2023



Akachukwu Okechukwu
Company Secretary
FRC/2022/PRO/NBA/312604

ASO Savings & Loans Plc

Audit Committee Report

In accordance with the provisions of Section 359(6) of the Companies and Allied Matters Act, 2020, the members of the Audit Committee of Aso Savings & Loans Plc hereby report as follows:

We have exercised our statutory functions under Section 359(6) of the Companies and Allied Matters Act, 2020, and acknowledge the co-operation of management and staff in theconduct of these responsibilities

We are of the opinion that the accounting and reporting policies of the Bank are in accordance with legalrequirements and agreed ethical practices and that the scope and planning of the external audit for the year ended 31 December 2021 were satisfactory and reinforce the Bank's internal control systems

We reviewed the management letter of the external auditors and are satisfied with management response thereto

We have deliberated with the External Auditors, who have confirmed that necessary co-operation was received from management in the course of their statutory audit and we are satisfied with the management's response to the External Auditor's recommendations on accounting and internal control matters and with the effectiveness of the Bank's system of accounting and internal control..

11 December 2023

Ibrahim Oruma
Chairman, Audit Committee
FRC/2013/NIM/00000003587

Members of the Audit Committee are:

Shareholders' representative

1. Ibrahim Oruma - Chairman
2. El-Amin Bello - Member
3. Asiya Abdullahi Umar - Member

Directors' representative

1. Isiyaku Ismaila- Member
2. Henry Sementari - Member

ASO Savings & Loans Plc

Directors' Responsibilities and Approval

The directors are required in terms of the Companies and Allied Matters Act, 2020, Banks and Other Financial Institutions Act (BOFIA), 2020 and the Financial Reporting Council of Nigeria 2011 to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Bank at the end of the year and of its profit or loss. The responsibilities include ensuring that the Bank:

a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Bank and comply with the requirements of the Companies and Allied Matters Act, 2020, Banks and Other Financial Institutions Act (BOFIA), 2020 and the Financial Reporting Council of Nigeria Act, 2011.

b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities and

c) prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates and are consistently applied.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in accordance with

- International Financial Reporting Standards.
- The manner required by the Companies and Allied Matters Act, 2020;
- Banks and Other Financial Institutions Act (BOFIA), 2020 and
- The Financial Reporting Council of Nigeria (Amendment) Act, 2011.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

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

Signed on behalf of the Board of Directors By:

11 December 2023

Risikatu Ladi Ahmed
Managing Director/CEO
FRC/2022/PRO/DIR/003/425244

Abdul Kofarsauri
Chairman
FRC/2023/PRO/DIR/003/128626

Statement of Corporate Responsibility for the financial statements

In line with the provision of S. 405 of CAMA 2020, we have reviewed the audited financial statements of the Bank for the year ended 31 December 2021 and based on our knowledge confirm as follows:

i. The audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading.

ii. The audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the bank as of and for the year ended 31 December 2021.

iii. The bank's internal controls has been designed to ensure that all material information relating to the bank and its subsidiaries is received and provided to the Auditors in the course of the audit

iv. The bank's internal controls were evaluated within 90 days of the financial reporting date and are effective as of 31 December 2021

v. That we have disclosed to the bank's Auditors and the Audit Committee the following information:

   a. there are no significant deficiencies in the design or operation of the bank's internal controls which could adversely affect the bank's ability to record, process, summarise and report financial data, and have discussed with the auditors any weaknesses in internal controls observed in the cause of the Audit

   b. there is no fraud involving management or other employees which could have any significant role in the bank's internal control

vi. There are no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of this audit, including any corrective actions with regard to any observed deficiencies and material weaknesses

11 December 2023

Risikatu Ladi Ahmed
Managing Director/CEO
FRC/2022/PRO/DIR/003/425244

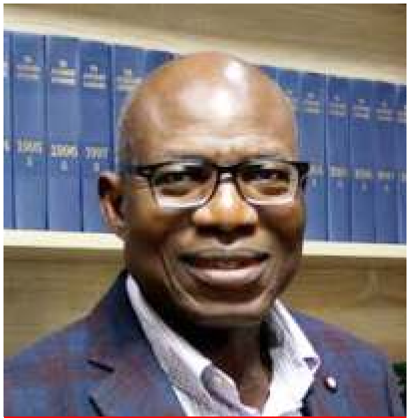
Olugbanga Olaleru
Chief Financial Officer
FRC/2019/CAN/00000019592

REPORT OF DIRECTORS

Directors as at 11th December, 2023

Abdul Kofarsauri
Board Chairman

Henry Semenitari
Independent Non-Executive



Daniel Dayo Kunle
Independent Non-Executive

Isiyaku Ismaila
Non-Executive

Risikatu Ladi Ahmed
Managing Director/CEO

Enesi Makoju
Executive

ASO Savings & Loans Plc

Directors' Report

The directors have pleasure in submitting their report on the financial statements of ASO Savings & Loan Plc for the year ended December 31, 2021.

1. Legal Form

The Bank is domiciled in Nigeria where it is incorporated as a private Bank limited by shares under the Companies and Allied Matters Act, 2020 and obtained Central Bank of Nigeria (CBN) approval to operate as a primary mortgage institution in 1995. The address of the registered office is set out on page 1.

2. Nature of business

ASO Savings & Loan Plc was incorporated in Nigeria with interests in the Primary Mortgage industry. The Bank operates in Nigeria..

There have been no material changes to the nature of the Bank's business from the prior year.

3. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act 2020, Bank and Other Financial Iinstitution Act 2020, Financial Reporting Council of Nigeria (Amendment) Act 2023. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the Bank are set out in these financial statements.

4. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the Bank or in the policy regarding their use.

5. Employment and Employees

i) Employment of Disabled Persons

It is the policy of the Bank that there should be no discrimination in considering application for employment including those from disabled persons. All employees are given equal opportunities for self-development. As at 31 December 2021, there was no disabled person in the employment of the Bank.

ii) Health, Safety at Work and Welfare of Employees

The Bank enforces strict health and safety rules and practices at the work environment, which are reviewed and tested regularly. The COVID-19 pandemic also presented an opportunity for the Bank to enhance its health and safety protocols in all its operating locations. The Bank has retained Hospitals used by staff and immediate family members.

Fire prevention and fire-fighting equipment are installed in strategic locations within the Bank's premises, while occasional fire drills are conducted to create awareness amongst staff.

The Bank operates both a Bank Personal Accident and the Workmen's Compensation Insurance covers for the benefit of its employees. It also operates a contributory pension plan in line with the Pension Reform Act

iii) Employee Involvement and Training

The Bank is committed to keeping employees fully informed as much as possible regarding the Bank's performance, progress and seeking.

6. Donation and Charitable Gifts

The Bank did not make contributions to charitable and non-political organisations during the year ended 31 December 2021 (31 December 2020: N0.1bn).

7. Dividend

The board of directors did not recommend the declaration of a dividend for the year.

8. Acquisition of Own Shares

The Bank did not acquire any of its shares during the year.

9. Events after the reporting period

The Director are not aware of any material event which occurred after the reporting date and up to the date of this report.

10. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Director believe that the Bank has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The Director have satisfied themselves that the Bank is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Director are not aware of any new material changes that may adversely impact the Bank. The Director are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Bank.

We draw attention to the fact that at December 31, 2021, the Bank had accumulated losses of N. 73.25billion and that the Bank's total liabilities exceed its assets by N. 38.98.billion

11. Auditors

Messrs. Sola Oyetayo & Co. (Chartered Accountants) have indicated their willingness to continue in office in accordance with Section 401 (2) of the Companies and Allied Matters Act, 2020.

Approval of financial statements

Akachukwu Okechukwu
Bank Secretary
FRC/2022/PRO/NBA/312604
11 December 2023

SOLA OYETAYO & CO.

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RC: KN-003392

Independent Auditor's Report

To the Shareholders of ASO Savings & Loan Plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ASO Savings & Loan Plc (the Bank) set out on pages 27 to 55, which comprise the statement of financial position as at December 31, 2021, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of ASO Savings & Loan Plc as at December 31, 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act 2020, Bank and Other Financial Institutions Act 2020, and the Financial Reporting Council of Nigeria (Amendment) Act 2023

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Nigeria. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 25 to the financial statements, which indicates that the Bank incurred a net profit of N.17.79million during the year ended December 31, 2021 and, as of that date, the Bank's current liabilities exceeded its total assets by N.(38.98)billion. The note states that these events or conditions, along with other matters as set forth in Note 25 to the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Bank's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Impairment of loans and advances – N6.54billion (2020:N6.29billion)	
The expected credit loss (ECL) on loans and advances to customers is considered a key audit matter due to the fact that the amount is material to the financial statements. The IFRS 9 'Financial Instruments' impairment methodology requires significant judgement in measuring expected credit loss (ECL). Therefore, significant judgement was exercised in the following areas: • the definition of default adopted by the Bank and determination of criteria used in assessing significant increase in credit risk (SICR);	We adopted a substantive approach in assessing the allowance for impairment made by the Bank. The following procedures were performed: • We checked that the Bank applied a default definition that is consistent with IFRS 9 qualitative default criteria and days past due indicator; • We evaluated the reasonableness of the Bank's determination of significant increase in credit risk by checking that a lifetime ECL is recognised when credit risk has increased significantly (Stage 2), a lifetime ECL is recognised on impaired facilities (Stage 3) and a 12-month ECL (Stage 1) is recognised for facilities in

Key audit matter	How our audit addressed the key audit matter
• determination of the key inputs used in determining the exposure at default (EAD); the 12 month probability of default (PD) and the Loss Given Default (LGD) which are key parameters used in the model; and • incorporation of macro-economic inputs and forward looking information into the ECL model. This is considered a key audit matter in the financial statements The gross total balance of loans and advances for the year ended December 31, 2021 was N22.18billion 2020:N21.47bllion) while the impairment allowance was N6.54billion (2020:N6.29billion)	Stage 1; • We reviewed the appropriateness of the exposure at default by checking whether relevant facility specific information have been incorporated in determining the EAD.; • We reviewed the reasonableness of the methodology used in modelling PD to assess its consistency with acceptable modelling techniques and, also testing the historical data inputs into the model for accuracy and completeness. • We evaluated the reasonableness of the Loss Given Default (LGD) by reviewing cash recoveries, collateral values along with assumptions and recovery rates; and • We evaluated that the Bank factored business cycle dependencies into ECL estimates by incorporating forward-looking information into the ECL parameters and checked the reasonableness of forward-looking information and multiple economic scenarios considered. We also checked the reasonableness of the scenario probability weight by performing independent computation and benchmarking scenario weights. We reviewed the IFRS 9 disclosures for reasonableness

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "ASO Savings & Loan Plc financial statements for the year ended December 31, 2021", which includes the Corporate Information, Corporate Governance Report, Directors' responsibilities and Approval, Directors' Report and the Audit Committee's Report as required by the Companies and Allied Matters Act 2020 and the supplementary information as set out on page 58. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act 2020, Financial Reporting Council (Amendment) Act 2023, Bank and Other Financial Institutions Act 2020 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Bank or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Independent Auditor's Report

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe

these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Companies and Allied Matters Act and the Banks and Other Financial institutions Act require that in carrying out our audit we consider audit report of you on the following matters. We confirm that:

i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii. The mortgage bank has kept proper book of accounts, so far as appears from examination of those books and returns adequate for our audit have been received from branches not visited by us;

iii. The bank's statements of financial position and comprehensive income are in agreement with the books of accounts and returns;

iv. No penalty was paid in contravention of relevant circular issued by the Central Bank of Nigeria and the requirements of the Nigeria Stock Exchange is as disclosed in Note 27 to the financial statements

Sola Oyetayo & Co
FRC/2013/ICAN/00000000642
Sola Oyetayo & Co.
(Chartered Accountants)
20 December 2023
Lagos, Nigeria

ASO Savings & Loans Plc

Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	2021 N. '000	2020 N. '000
Interest income	2	998,803	830,863
Interest expense	3	(2,208,743)	(2,666,915)
Net interest expense		**(1,209,940)**	**(1,836,052)**
Net fee and commission income	4	13,266	20,865
Other income	5	603,956	53,983
Operating loss		(592,718)	(1,761,204)
Movement in credit loss reversal / (allowances)	9	3,088,323	(1,956,016)
Depreciation of property, plant and equipment	6	(27,275)	(30,319)
Personnel expenses	7	(1,046,280)	(1,155,617)
Gain on disposal of non-current asset held for sale	8	30,054	689,683
Other operating expenses	10	(1,433,243)	(1,758,266)
		611,579	(4,210,535)
Profit / (Loss) before taxation		**18,861**	**(5,971,739)**
Taxation	11	(1,075)	(3,988)
Total comprehensive income (loss) for the year		**17,786**	**(5,975,727)**

The notes to the financial statements on pages 31 to 55 form an integral part of the financial statements.

ASO Savings & Loans Plc

Statement of Financial Position as at December 31, 2021

	Note(s)	2021 N. '000	2020 N. '000
Assets			
Cash and cash equivalents	12	2,687,640	263,880
Loans and advances	13	15,635,823	15,181,280
Other assets	15	5,782,773	6,706,880
Property, plant and equipment	16	1,688,146	1,689,661
		25,794,382	23,841,701
Non-current assets held for sale	18	8,944,412	9,115,588
Total Assets		**34,738,794**	**32,957,289**
Equity and Liabilities			
Liabilities			
Balance with Banks	19	13,170	13,241
Customers' deposits	20	27,840,623	26,608,414
Borrowings	21	15,311,641	20,825,034
Current tax	22	170,698	169,623
Other liabilities	23	30,382,599	28,536,549
Total Liabilities		**73,718,731**	**76,152,861**
Equity			
Share capital	24	7,370,867	7,370,867
Reserves		26,899,172	15,624,774
Accumulated loss		(73,249,976)	(66,191,213)
		(38,979,937)	**(43,195,572)**
Total Equity and Liabilities		**34,738,794**	**32,957,289**

The financial statements and the notes on pages 19 to 58, were approved by the board of directors on the 11 December 2023 and were signed on its behalf by:

Risikatu Ladi Ahmed	Akachukwu Okechukwu
Managing Director/CEO	Company Secretary
FRC/2022/PRO/DIR/003/425244	FRC/2022/PRO/NBA/312604

Addtionally certified by

Olugbanga Olaleru
Chief Financial Officer
FRC/2019/CAN/00000019592

The notes to the financial statements on pages 31 to 55 form an integral part of the financial statements.

ASO Savings & Loans Plc

Statement of Changes in Equity

	Share capital	*Regulatory Risk Reserve*	*Statutory reserve*	*Total reserves*	*Accumulated loss*	*Total equity*
	N. '000	*N. '000*	*N. '000*	*N. '000*	*N. '000*	*N. '000*
Balance at January 1, 2020	**7,370,867**	**15,087,960**	**457,509**	**15,545,469**	**(58,247,631)**	**(35,331,295)**
Total comprehensive Loss for the year	-	-	-	-	(5,975,727)	(5,975,727)
Transfer between reserves	-	79,304	-	79,304	(79,304)	-
Prior year adjustments	-	-	-	-	(1,888,551)	(1,888,551)
Balance at January 1, 2021	**7,370,867**	**15,167,265**	**457,509**	**15,624,774**	**(66,191,210)**	**(43,195,569)**
Total comprehensive income for the year	-	-	-	-	17,786	17,786
Transfer between reserves	-	11,271,730	2,668	11,274,398	(11,274,398)	-
Prior year adjustments	-	-	-	-	4,197,846	4,197,846
Balance at December 31, 2021	**7,370,867**	**26,438,995**	**460,177**	**26,899,172**	**(73,249,976)**	**(38,979,937)**
Note(s)	24	14				

The notes to the financial statements on pages 31 to 55 form an integral part of the financial statements.

ASO Savings & Loans Plc

Statement of Cash Flows

	Note(s)	- 2021 N'000	- 2020 N'000
Cash flows from operating activities			
Profit (Loss) before tax for the year		18,861	(5,971,739)
Adjustment for:			
Net impairment loss on financial and non-financial instrument		(3,088,323)	1,956,016
Depreciation on property and equipment		27,275	30,318
Interest income		(998,803)	(830,863)
Interest expenses		2,208,743	2,666,915
Loss on sale of property and equipment		(1,432)	16,988
(Gain) Loss on disposal of Investment property		(30,054)	(689,683)
prior year adjustments		4,197,846	(1,888,549)
Change in operating assets and liabilities			
Net (increase) decrease in loan and advances		(757,225)	852,314
Net decrease in other assets		924,107	1,284,307
Net decrease in balance with Banks		(71)	
Net Increase (decrease) in customer deposit		1,232,209	1,031,439
Net decrease in other payables		1,846,050	(2,100,048)
		5,579,183	(3,642,585)
Interest received from operating activities		1,051,553	777,705
interest paid		(1,171,483)	(3,942,067)
Net cash flows generated from operations		**5,459,253**	**(6,806,947)**

	Note(s)	2021 N'000	2020 N'000
Cash flows from investing activities			
Purchase of property and equipment		(25,759)	(646,864)
Proceed from sale of property and equipment		1,432	201,481
Proceed from sale of investment property		201,230	5,369,018
Proceed from HTM Financial Assets		1,129,514	1,456,021
Net cash flows from investing activities		**1,306,417**	**6,379,656**
Cash flows from financing activities			
Inflow from borrowings			308,405
Repayment of borrowings		(4,341,910)	
Net cash flow used in financing activities		**(4,341,910)**	**308,405**
Net increase/ decrease in cash and cash equivalent		2,423,760	(118,886)
Cash and cash equivalent at the beginning of the year		263,880	382,766
Effect of exchange rate movement on cash balance			
Total cash at end of ther year		**2,687,640**	**263,880**

The notes to the financial statements on pages 31 to 55 form an integral part of the financial statements.

ASO Savings & Loans Plc

Notes to the Financial Statements

Corporate information

ASO Savings & Loan Plc (“the Mortgage Bank”) is a public limited company incorporated and domiciled in Nigeria.

The address of the mortgage bank’s registered office is Plot 266, FMBN Building, Cadastral Zone AO, Central Business District, Abuja. The Mortgage Bank was licensed to operate as a Mortgage institution in December 1996 and commenced operations in January 2007. It was converted to a Public Limited Bank on 22 September 2005 and its shares were listed in the Nigerian Stock Exchange on 25 April 2008.

The mortgage bank is principally engaged in mortgage banking. The financial statements for the year ended December 31, 2021 were authorised for issue in accordance with a resolution of the directors on Monday, December 11, 2023.

1. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

1.1 Basis of preparation

The financial statements of the mortgage bank have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements, the Companies and Allied Matters Act 2020 Banks and Other Financial Institutions Act 2020, Regulatory and Supervisory Guidelines for Primary Mortgage Institutions in Nigeria, the Financial Reporting Council of Nigeria (Amendment) Act 2023 and relevant Central Bank of Nigeria circulars.

The financial position have been prepared based on the order of liquidity.

a) Functional and presentation currency

These financial statements are presented in Nigerian Naira, which is the Mortgage Bank’s functional currency. Except where indicated, financial information presented in Naira has been rounded to the nearest thousand.(N' 000)

b) Basis of measurement

The financial statements have been prepared on a historical cost basis except for Non-current assets held for sale which is measured at the lower of cost and fair value less cost to sell.

c) Use of estimates and judgements

The preparation of financial statements in line with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates

d) Fair value value measurements

Financial assets and liabilities for which fair values are disclosed are listed below:

- Loans and advances
- Non-current assets held for sale
- Borrowings

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Bank.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Bank uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable input.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Bank determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Bank has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. The fair values determined closely approximate the carrying value.

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Nairas, which is the Bank's functional currency.

These accounting policies set out below have been applied consistently applied to all periods. presented in these financial statements.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Bank uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Bank's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the Bank holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Bank, and the cost of the item can be measured reliably.

i) Recognition and measurement

The items of Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses. Initial measurement at cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate. When significantparts of plant and equipment are required to be replaced at intervals, the entity depreciates them separatelybased on their specific useful lives

ii) Subsequent costs

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Bank and the cost can be measured reliably. Day-to-day servicing costs are included in profit or loss in the year in which they are incurred.

iii) Depreciation

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Bank. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight line	20years
Plant and machinery	Straight line	5 years
Furniture and office equipment	Straight line	5 years
Motor vehicles	Straight line	4 years
Computer equipment	Straight line	3 years
Leasehold assets	Straight line	As in related class of asset

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

iv) Capital work in progress

Capital work in progress is not depreciated. Upon completion it is transferred to the relevant asset category

v) De-recognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.4 Financial instruments

Financial instruments held by the Bank are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the Bank, as applicable, are as follows:

Loans and advances at amortised cost

Classification

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Bank's business model is to collect the contractual cash flows on these loans.

Recognition and measurement

Loans and advances are recognised when the Bank becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

Significant increase in credit risk

In assessing whether the credit risk on a loan has increased significantly since initial recognition, the Bank compares the risk of a default occurring on the loan as at the reporting date with the risk of a default occurring as at the date of initial recognition.

The Bank considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information.

Irrespective of the outcome of the above assessment, the credit risk on a loan is always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless the Bank has reasonable and supportable information that demonstrates otherwise.

By contrast, if a loan is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk on the loan has not increased significantly since initial recognition.

The Bank regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

Definition of default

For purposes of internal credit risk management purposes, the Bank considers that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account).

Irrespective of the above analysis, the Bank considers that default has occurred when a loan instalment is more than 90 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write off policy

The Bank writes off a loan when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Loans written off may still be subject to enforcement activities under the Bank recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default, taking the time value of money into consideration.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. The exposure at default is the gross carrying amount of the loan at the reporting date.

Lifetime ECL is measured on a collective basis in cases where evidence of significant increases in credit risk are not yet available at the individual instrument level. Loans are then grouped in such a manner that they share similar credit risk characteristics, such as nature of the loan, external credit ratings (if available), industry of counterparty etc.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Bank has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Bank measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, and visa versa.

An impairment gain or loss is recognised for all loans in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance (note 9).

Derecognition

Any gains or losses arising on the derecognition of a loan receivable is included in profit or loss in derecognition gains (losses) on financial assets at amortised cost (note).

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Derecognition

Financial assets

The Bank derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Bank neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Bank recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Bank retains substantially all the risks and rewards of ownership of a transferred financial asset, the Bank continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The Bank derecognises financial liabilities when, and only when, the Bank obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Reclassification

Financial assets

The Bank only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

1.5 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current taxes are recognised as income or an expense and included in profit or loss for the period.

Current tax are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.6 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal groups are classified as held for distribution to owners when the entity is committed to distribute the asset or disposal group to the owners. This condition is regarded as met only when the distribution is highly probable and the asset (or disposal group) is available for immediate distribution in its present condition, provided the distribution is expected to be completed within one year from the classification date.

Non-current assets (or disposal groups) held for sale (distribution to owners) are measured at the lower of their carrying amount and fair value less costs to sell (distribute).

A non-current asset is not depreciated (or amortised) while it is classified as held for sale (held for distribution to owners), or while it is part of a disposal group classified as such.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale (distribution to owners) are recognised in profit or loss.

1.7 Impairment of assets

The Bank assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Bank estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the Bank also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.8 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the Bank in which they are declared.

1.9 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.9 Employee benefits (continued)

Defined contribution plans

The Bank operates a defined contribution plan.

A defined contribution plan is a pension plan under which the Bank pays fixed contributions into a separate entity. The Bank has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. For defined contribution plans, the Bank makes contributions on behalf of qualifying employees to a mandatory scheme under the provisions of the Pension Reform Act.

The Bank has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. For entities operating in Nigeria, the contribution by employees and the employing entities are 8% and 10% respectively of the employees' basic salary, housing and transport allowances. Entities operating outside Nigeria contribute in line with the relevant pension laws in their jurisdictions.

1.10 Revenue from contracts with customers

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty

The following are specific accounting policy on revenue recognition for the Bank.

Interest income

Interest income and expense for all interest-bearing financial instruments, are recognised within 'interest income' and 'interest expense' in the statement of profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the net carrying amount of the financial asset or liability. The effective interest rate is calculated on initial recognition of the financial asset and liability and is not revised subsequently.

Fees and commission

Fees and commission income (such as processing and management fees charged for assessing the financial position of the borrower, evaluating and reviewing guarantee, collateral and other security, negotiation of instruments' terms, preparing and processing documentation and finalising the transaction) and fees and commission expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate of financial assets or liabilities.. Other fees and commission income, including account servicing fees, placement fees, sales commission and syndication fees, are recognised as the related services are performed.

When a loan commitment is not expected to result in the draw-down of a loan, loan commitment fees are recognised on a straight-line basis over the commitment period.

Other fees and commission expense relates mainly to transaction and service fees, which are expensed as the services are received.

ASO Savings & Loans Plc

Notes to the Financial Statements

	2021 N. '000	2020 N. '000
2. Interest income		
Interest on loans and advances	977,531	825,487
Interest on cash and cash equivalents	21,272	5,376
	998,803	**830,863**
3. Interest expense		
Interest on deposit from customers	765,701	727,687
Interest on borrowings	1,443,042	1,939,228
	2,208,743	**2,666,915**
4. Net fee and commission income		
Commission on turnover	3,590	4,062
Administrative and processing fees	2,892	6,875
Other fees and commissions	6,784	9,928
	13,266	**20,865**
5. Other income		
Gain/(loss) on disposal of PPE	1,432	(16,988)
Sundry income	305,268	524,796
Recoveries	297,256	(453,825)
	603,956	**53,983**

	2021 N. '000	2020 N. '000
6. Depreciation, amortisation and impairment losses		
Depreciation		
Property, plant and equipment	(27,275)	(30,319)
7. Personnel expenses		
Employee costs		
Salaries, wages and other benefits	1,020,215	1,135,608
Retirement benefit plans	26,065	20,009
	1,046,280	**1,155,617**
Average number of persons employed during the year		
Administration	398	398

The table shows the number of employees (excluding directors) whose earnings during the year fell within the ranges shown below:

	2021	2020
N.0 - N.150,000	165	165
N.150,001 - N.235,000	83	83
N.235,001 - N.325,000	61	61
N.325,001 - N.455,000	68	68
N.455,001 - N.580,000	9	9
N.580,001 and above	5	5
N.3,500,001 - N.4,500,000	2	2
Above N.4,500,000	5	5
	398	**398**

8. Gain on disposal of non-current asset held for sale

	2021	2020
Investment property expenses	-	(950)
Gain on sale of investment	30,054	690,633
	30,054	**689,683**

	Note	2021 N. '000	2020 N. '000
9. Operating loss			
Operating loss for the year is stated after charging (crediting) the following, amongst others:			
Auditor's remuneration - external			
Audit fees		5,000	5,000
Remuneration, other than to employees			
Consulting and professional services		407,679	499,767
Directors' remuneration		14,343	29,133
		422,022	**528,900**
Employee costs			
Salaries, wages, bonuses and other benefits		1,020,215	1,135,608
Retirement benefit plans: defined contribution expense		26,065	20,009
Total employee costs		**1,046,280**	**1,155,617**
Depreciation and amortisation			
Depreciation of property, plant and equipment		27,275	30,319
Movement in credit loss allowances/(reversals)			
Trade and other receivables- write off		(3,338,255)	2,035,318
Loans and advances at amortised cost	13	249,932	(79,302)
		(3,088,323)	**1,956,016**
10. Operating expenses			
Auditors remuneration - external auditors		5,000	5,000
Bank charges		5,351	5,998
Consulting and professional fees		407,679	499,767
Debt recovery expense		41,097	108,534
Directors remuneration		14,343	29,133
Electricity & water		40,661	30,011

	2021 N. '000	2020 N. '000
Entertainment	12,969	7,986
Fines and penalties	83	-
Insurance	186,440	194,070
Gift & donations	-	1,020
IT expenses	163,305	181,398
Licencing	7,512	2,807
Magazines, books and periodicals	324	306
Marketing & advertising	119,055	148,727
Other expenses	369	-
Petrol and oil	22,391	12,919
Postage	1,081	492
Printing and stationery	2,806	2,218
Rent and rates	159,101	135,266
Repairs and maintenance	83,773	49,339
Security	67,472	61,659
Staff welfare	26,911	12,951
Subscriptions	9,880	14,091
Telephone and fax	7,493	7,182
Training	6,882	6,763
Industrial training fund	-	160,000
Travel - local	41,265	80,629
	1,433,243	**1,758,266**

11. Taxation

Major components of the tax expense

Current		
Local income tax - current period	1,075	3,988

12. Cash and cash equivalents

Cash on hand	20,237	23,880
Short-term deposits	2,667,403	240,000
	2,687,640	**263,880**

	2021 N. '000	2020 N. '000

13. Loans and advances

Loans and advances are presented at amortised cost, which is net of loss allowance, as follows:

Loan to corporate & other entities	19,695,739	18,461,091
Loan to individuals	1,775,418	2,252,841
Interest receivable	704,120	756,870
	22,175,277	21,470,802
Specific impairment	(6,531,575)	(6,277,567)
Collective impairment	(7,879)	(11,955)
	15,635,823	**15,181,280**

Classification of loans and advances by maturity profile

Within 12 months	11,927,290	8,951,853
Above 12 months	10,247,987	12,518,949
	22,175,277	**21,470,802**

Classification of loans and advances by category

Mortgage loans	10,900,582	4,782,805
Commercial real estate financing	6,759,889	6,380,611
Others	4,514,806	10,307,386
	22,175,277	**21,470,802**

Classification of loans and advances by Performance

Performing loan	229,096	644,035
Non-performing loan	21,946,181	20,826,767
	22,175,277	**21,470,802**

	2021 N. '000	2020 N. '000
Classification of Loans and Advances by Sector		
Real estate construction	11,136,902	11,163,415
Education	25,949	25,995
Healthcare	8,925	8,039
Others	11,003,501	10,273,353
	22,175,277	**21,470,802**
Classification of Loans and Advances by product line		
Commercial Mortgage Equity Line of Credit	7,331,701	7,031,770
Commercial Mortgage	1,398,216	1,481,200
Commercial Real Estate	6,759,889	6,380,611
Consumer loans	37,326	36,242
Harps Mortgage	341	5,821
Margin Loan	10,222	10,222
NHF Loans	808,133	833,261
Residential Line of Credit	3,329,815	3,101,338
Rental Advance	3,725	3,569
Retail Mortgage	2,355,323	2,462,522
Staff Loan	140,586	124,246
	22,175,277	**21,470,802**

Movement in impairment allowances

2021	**2021**	**2020**	**Charge/(credit)**
Stage 1	7,879	11,955	(4,076)
Stage 2	4,061	5,913	(1,852)
Stage 3	6,527,514	6,271,653	255,861
	6,539,454	**6,289,521**	**249,933**

	2021 N. '000	2020 N. '000

2020	2020	2019	Charge/(credit)
Stage 1	11,955	20,313	(8,358)
Stage 2	5,913	10,589	(4,676)
Stage 3	6,271,653	6,337,922	(66,269)
	6,289,521	**6,368,824**	**(79,303)**

14. Statement of prudential adjustment

When CBN Prudential Provisions is greater than IFRS provisions; the excess provision should be transferred from the general reserve account to a "regulatory risk reserve". Where CBN Prudential Provisions is less than IFRS provisions, the excess provision should be transferred to the general reserve account from the non-distributable regulatory reserve to the extent of regulatory reserve previously recognized

As of December 31, 2021, the mandatory regulatory reserves Increased from N15.17 billion in 2020 to N26.44 billion in 2021. Consequently, an amount of N11.27 billion was transferred from the regulatory reserve to the general reserve.

Figures in Naira		
Impairment Allowance as per IFRS 9 - Stage 2&3	(6,531,574)	(6,277,566)
Impairment Allowance as per IFRS 9 - Stage 1	(7,879)	(11,955)
	(6,539,453)	(6,289,521)
Loan Loss Provision as per CBN Guideline – Specific	32,978,301	21,456,750
Loan Loss Provision as per CBN Guideline – Collective	144	33
Required regulatory risk reserve at 31 December	**26,438,992**	**15,167,262**

Movement in regulatory risk reserve		
At January 1	15,167,262	15,087,959
Transfer (to)/from Unappropritated Profit	11,271,730	79,303
At 31 December	**26,438,992**	**15,167,262**

15. Other asset

Restricted balances with FMBN	1,119	1,119
Account receivables	107,988	(50,026)
Prepayments	32,256	31,225
Estate development progress cost	6,550,201	6,676,915
Other receivables	(908,791)	47,647
Other non performing assets	12,261,573	12,361,573
	18,044,346	19,068,453
Specific impairment on other assets	(12,261,573)	(12,361,573)
	5,782,773	**6,706,880**

16. Property, plant and equipment

	2021			2020		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	1,825,685	(185,224)	1,640,461	1,825,685	(175,770)	1,649,915
Plant and machinery	81,507	(79,512)	1,995	90,169	(87,655)	2,514
Furniture and fixtures	534,752	(530,583)	4,169	529,941	(529,725)	216
Motor vehicles	351,851	(351,512)	339	371,667	(370,925)	742
IT equipment	716,011	(674,829)	41,182	697,579	(661,305)	36,274
Total	**3,509,806**	**(1,821,660)**	**1,688,146**	**3,515,041**	**(1,825,380)**	**1,689,661**

Reconciliation of property, plant and equipment - Bank

	Land & Building	Plant and machinery	Furniture & Office equipment	Motor vehicles	IT equipment	Total
Cost						
At January 1, 2020	1,652,448	94,477	575,559	398,419	798,776	3,519,679
Additions	626,887	2,596	3,422	-	13,959	646,864
Disposals	(453,650)	(6,904)	(49,040)	(26,752)	(115,156)	(651,502)
At December 31, 2020	**1,825,685**	**90,169**	**529,941**	**371,667**	**697,579**	**3,515,041**
Additions	-	-	5,286	-	20,473	25,759

	Land & Building	Plant and machinery	Furniture & Office equipment	Motor vehicles	IT equipment	Total
Disposals	-	(8,662)	(475)	(19,816)	(2,041)	(30,994)
At December 31, 2021	**1,825,685**	**81,507**	**534,752**	**351,851**	**716,011**	**3,509,806**
Depreciation						
At January 1, 2020	399,630	94,230	577,203	391,065	765,967	2,228,095
Disposals	235,181)	(6,904)	(49,040)	(26,752)	(115,156)	(433,033)
Depreciation	11,321	329	1,562	6,612	10,494	30,318
At December 31, 2020	**175,770**	**87,655**	**529,725**	**370,925**	**661,305**	**1,825,380**
Disposals	-	(8,662)	(475)	(19,817)	(2,041)	(30,995)
Depreciation	9,455	519	1,333	404	15,565	27,276
At December 31, 2021	**185,224**	**79,512**	**530,583**	**351,512**	**674,829**	**1,821,660**

17. Intangible assets

	2021			2020		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	490,904	(490,904)	-	490,904	(490,904)	-

18. Non-current assets held for sale

	2021 N'000	**2020 N'000**
Collaterised assets (properties)	8,944,412	9,115,588
Balance, beginning of year	9,115,588	13,794,923
Disposals	(171,176)	(4,679,335)
Balance, end of the year	**8,944,412**	**9,115,588**

	2021 N'000	2020 N'000
19. Balance with Banks		
Sale of Federal Government Houses accounts	13,170	13,241

20. Customers' deposits

	2021 N'000	2020 N'000
Individual customers		
Term deposits	5,384,001	3,932,084
Demand deposits	18,684,003	18,865,486
Savings	905,544	922,357
Corporate customers		
Term deposits	1,501,699	1,588,701
Current deposits	1,304,486	1,264,633
	27,779,733	26,573,261
Interest payable	60,890	35,153
	27,840,623	**26,608,414**

21. Borrowings

	2021 N'000	2020 N'000
Held at amortised cost		
Financial accomodation from CBN	13,706,422	12,889,655
Loan from National Housing Fund	1,835,829	1,808,813
Loan from other banks	(500,143)	4,685,550
Interest payable to CBN	40,368	44,266
Interest payable to NHF	229,165	229,270
Interest payables to other banks	-	1,167,480
	15,311,641	**20,825,034**

22. Current tax

	2021 N'000	2020 N'000
Opening balance	169,623	165,635
Provision for the year	1,075	3,988
	170,698	**169,623**

23. Other liabilities

	2021 N'000	2020 N'000
Financial instruments:		
Trade payables	17,072,513	16,001,389
Sale of Federal Government Houses	4,931,684	4,506,498
Deposit for shares	4,914,789	4,914,789
Accruals	1,482,868	1,282,868
Liability for defined contribution scheme	23,430	67,864
Liability for defined benefits plans	140,314	140,314
Sundry liabilities	1,541,873	1,326,709
Non-financial instruments:		
Deposit for properties by off-takers	275,128	296,118
	30,382,599	**28,536,549**

Financial instrument and non-financial instrument components of trade and other payables

At amortised cost	30,107,470	30,010,351
Non-financial instruments	275,128	296,118
	30,382,598	**30,306,469**

24. Share capital

Issued and fully paid		
Ordinary shares (14,741,733,802units @ 50k per share)	7,370,867	7,370,867

25. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Director believe that the Bank has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The Director have satisfied themselves that the Bank is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Director are not aware of any new material changes that may adversely impact the Bank. The director Director are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Bank.

We draw attention to the fact that at December 31, 2021, the Bank had accumulated losses of N. 73.25 billion and that the Bank's total liabilities exceed its assets by N. 38.98 billion.

The ability of the Bank to continue as a going concern is dependent on a number of factors. The most significant of these is that the Director continue to procure funding for the ongoing operations for the Bank and that the subordination agreement referred to in note of these financial statements will remain in force for so long as it takes to restore the solvency of the Bank.

26. Financial instruments and risk management

Financial risk management

Overview

The Bank is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (interest rate risk).

The board of directors has overall responsibility for the establishment and oversight of the Bank's risk management framework. The board has established the risk committee, which is responsible for developing and monitoring the Bank's risk management policies. The committee reports quarterly to the board of directors on its activities.

The Bank's risk management policies are established to identify and analyse the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Bank's activities.

The Bank audit committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Bank The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee and the risk committee.

Credit risk

Credit risk is the risk of financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Bank is exposed to credit risk on loans and advances, debt instruments at fair value through other comprehensive income, trade and other receivables, contract receivables, lease receivables, cash and cash equivalents, loan commitments and financial guarantees.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The Bank only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). Counterparty credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Credit risk exposure arising on cash and cash equivalents is managed by the group through dealing with well-established financial institutions with high credit ratings.

Credit loss allowances for expected credit losses are recognised for all debt instruments, but excluding those measured at fair value through profit or loss. Credit loss allowances are also recognised for loan commitments and financial guarantee contracts.

In order to calculate credit loss allowances, management determine whether the loss allowances should be calculated on a 12 month or on a lifetime expected credit loss basis. This determination depends on whether there has been a significant increase in the credit risk since initial recognition. If there has been a significant increase in credit risk, then the loss allowance is calculated based on lifetime expected credit losses. If not, then the loss allowance is based on 12 month expected credit losses. This determination is made at the end of each financial period. Thus the basis of the loss allowance for a specific financial asset could change year on year.

Management apply the principle that if a financial asset's credit risk is low at year end, then, by implication, the credit risk has not increased significantly since initial recognition. In all such cases, the loss allowance is based on 12 month expected credit losses. Credit risk is assessed as low if there is a low risk of default (where default is defined as occurring when amounts are 90 days past due). When determining the risk of default, management consider information such as payment history to date, industry in which the customer is employed, period for which the customer has been employed, external credit references etc. In any event, if amounts are 30 days past due, then the credit risk is assumed to have increased significantly since initial recognition. Credit risk is not assessed to be low simply because of the value of collateral associated with a financial instrument. If the instrument would not have a low credit risk in the absence of collateral, then the credit risk is not considered low when taking the collateral into account. Trade receivable and contract assets which do not contain a significant financing component are the exceptions and are discussed below.

Where necessary, the assessment for a significant increase in credit risk is made on a collective basis. Management typically adopt this approach when information relevant to the determination of credit risk is not available on an individual instrument level. Often, the only information available on individual instruments which could indicate an increase in credit risk, is "past due" information. It is typical that more forward-looking information is generally more readily available on a collective basis. Therefore, making the determination on a collective basis, helps to ensure that credit loss allowances are determined on the basis of lifetime expected credit losses before they reach the point of being past due. Forward looking, macro-economic information is applied on a collective basis when it is readily available without undue cost or effort. When loss allowances are determined on a collective basis, management determines the loss allowances by grouping financial instruments on the basis of shared credit risk characteristics.

For trade receivables and contract assets which do not contain a significant financing component, the loss allowance is determined as the lifetime expected credit losses of the instruments. For all other trade receivables, contract assets and lease receivables, IFRS 9 permits the determination of the credit loss allowance by either determining whether there was a significant increase in credit risk since initial recognition or by always making use of lifetime expected credit losses. Management have chosen as an accounting policy, to make use of lifetime expected credit losses. Management does therefore not make the annual assessment of whether the credit risk has increased significantly since initial recognition for trade receivables, contract assets or lease receivables.

Liquidity risk

The Bank is exposed to liquidity risk, which is the risk that the Bank will encounter difficulties in meeting its obligations as they become due.

The Bank manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short-term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at central banking institutions.

2021

		Carrying amount
Non-current liabilities		
Borrowings	21	15,311,641
Current liabilities		
Other liabilities		30,107,470
		(45,419,111)

2020

		Carrying amount
Non-current liabilities		
Borrowings	21	20,825,034
Current liabilities		
Other liabilities	23	28,240,431
		(49,065,465)

Interest rate risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

The debt of the Bank is comprised of different instruments, which bear interest at fixed interest rates.

27. Contraventions

During the year, the Bank contravened certain provisions of the Revised Guidelines for Primary Mortgage Banks in Nigeria, certain Central Bank of Nigeria circular and the requirements of Nigeria Stock Exchange as follows:

S/No	Ratio	Regulatory Maximum Limit	Regulatory Minimum Limit	Disclosed Penalties for Non-Compliance
1	Regulatory Capital	N/A	N5bn	Revocation of license
2	Liquidity Ratio	N/A	20%	Not expressly stated
3	Cash Reserve Ratio	N/A	2%	Not expressly stated
4	Capital Adequacy Ratio [CAR]	N/A	10%	Not expressly stated
5	Mortgage Assets to Total Assets Ratio	N/A	50%	Not expressly stated
6	Mortgage Assets to Loanable Funds Ratio	N/A	60%	Not expressly stated
7	Mortgage Assets in Residential Mortgages	N/A	75%	Not expressly stated
8	Real Estate Construction Finance to Total Assets	25%	N/A	Not expressly stated
9	Late submission of audited annual accounts			A fine of N300,000 for each month during which default occurs
10	Failure to publish annual accounts			A fine of N500,000 for non-publication and thereafter publish in a newspaper

28. Related parties

Relationships

Members of key management	Risikatu Ladi Ahmed Enesi Makoju Richard Femi Bello

Key management personnel is defined as the Bank's executive and non-executive directors, including their family members and any entity over which they exercise control. Close members of family are those family members who may be expected to influence or be influenced by that individual in their dealings with the Bank.

Compensation to directors and other key management

Short-term employee benefits	143,934	101,383

	2021 N. '000	***2020 N. '000***

28. Related parties (continued)

Post-employment benefits - Pension - Defined contribution plan	7,253	4,316
	151,187	**105,699**

Other National Disclosures

ASO Savings & Loans Plc

Value Added Statement

	2021 N. '000	2021 %	2020 N. '000	2020 %
Value Eroded				
Value added by operating activities				
Revenue	998,803		830,863	
Bought - in materials and services	(3,611,932)		(3,735,498)	
Net fee & commission	13,266		20,865	
Other income	603,956		53,983	
Value Eroded	**(1,995,907)**	**100**	**(2,829,787)**	**100**
Value Distributed				
To Pay Employees				
Salaries, wages, medical and other benefits	1,046,280		1,155,617	
	1,046,280	**(52)**	**1,155,617**	**(41)**
To Pay Government				
Taxation	1,075		3,988	
	1,075	**-**	**3,988**	**-**
To be retained in the business for expansion and future wealth creation:				
Value reinvested				
Depreciation, amortisation and impairments	(3,061,048)		1,986,335	
	(3,061,048)	**153**	**1,986,335**	**(70)**
Value retained				
Profit / (Loss)	17,786		(5,975,727)	
	17,786	**(1)**	**(5,975,727)**	**211**
Total Value Eroded	**(1,995,907)**	**100**	**(2,829,787)**	**100**

ASO Savings & Loans Plc

Five Year Financial Summary

	2021 N. '000	2020 N. '000	2019 N. '000	2018 N. '000	2017 N. '000
Statement of Financial Position					
Assets					
Cash & Cash Equivalents	2,687,640	263,880	382,766	302,649	1,296,055
Loan and advances	15,635,823	15,181,280	15,901,134	17,667,935	22,185,957
Promissory notes	-	-	-	4,442,897	4,263,568
Other assets	5,782,773	6,706,880	7,411,813	7,494,048	6,941,968
Property, plant and equipment	1,688,146	1,689,661	1,291,584	1,348,687	1,527,969
Intangible assets	-	-	1	263	3,028
	25,794,382	23,841,701	24,987,298	31,256,479	36,218,545
Non-current Assets held for sale	8,944,412	9,115,588	13,794,923	12,289,395	18,396,993
Total assets	**34,738,794**	**32,957,289**	**38,782,221**	**43,545,874**	**54,615,538**
Liabilities					
Balance with Banks	13,170	13,241	13,241	13,241	13,241
Customers' deposits	27,840,623	26,608,414	27,656,282	29,896,771	37,984,320
Borrowings	15,311,641	20,825,034	19,841,858	18,880,691	19,295,023
Current tax	170,698	169,623	165,635	155,494	131,364
Other liabilities	30,382,598	28,536,549	26,436,501	25,569,437	27,897,846
Bank draft	-	-	-	896,849	-
Total liabilities	**73,718,730**	**76,152,861**	**74,113,517**	**75,412,483**	**85,321,794**
Equity					
Share capital	7,370,867	7,370,867	7,370,867	7,370,867	7,370,867
Reserves	26,899,172	15,624,774	15,545,469	17,775,829	30,295,514
Accumulated loss	(73,249,975)	(66,191,213)	(58,247,632)	(57,013,305)	(68,372,637)
Total equity	**(38,979,936)**	**(43,195,572)**	**(35,331,296)**	**(31,866,609)**	**(30,706,256)**
Total equity and liabilities	**34,738,794**	**32,957,289**	**38,782,221**	**43,545,874**	**54,615,538**

ASO SAVINGS AND LOANS PLC
SHARE CAPITAL HISTORY

	Authorized Share Capital		Issued/Paid Up Share Capital		
Date	**Increase**	**Cumulative**	**Increase**	**Cumulative**	**Remarks**
09/11/95	-	40,000,000	16,000,000	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	-	8,679,148,676	Stock Split to 50k par value
14/12/11	10,000,000,000	20,000,000,000	-	8,679,148,676	-
04/09/13	-	20,000,000,000	6,062,585,126	14,741,733,802	Cash/Rights Issue

As at 31st December, 20 21, the Authorized Share Capital of the Company is **N10,000,000,000** comprising of **N20,000,000,000** ordinary shares of **50 Kobo** each while the fully paid -up Share Capital is **N7,370,866,901** made up of **14,741,733,802** ordinary shares of **50 Kobo** each.

PROXY FORM

18th – 27th Annual General Meeting of ASO Savings and Loans Plc to be held virtually on Monday, 30th June, 2025 at 11:00am

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

I/We…………………………….……
……………………………………..
…………………………………..…
……………………………….……

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

………….……………………..
……………………………………
……………………..………..

or failing him/her, the Chairman of the meeting

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Monday, 30th June, 2025 and at any adjournment or reschedule thereof

Dated this … …………day

of………..............................2025

……………………………………

Shareholder's Signature

	RESOLUTIONS	FOR	AGAINST
1	To receive and consider the Audited Financial Statements for the Financial Years ended 31st December 2015 – 31st December 2024		
2	To re-elect Directors in place of those retiring by rotation from 2015 - 2024: a. Abdul S. Kofarsauri.		
	b. Henry Semenitari		
	c. Isiyaku Ismaila		
	d. Risikatu Ahmed		
	e. Maureen Tamuno		
3	To ratify the appointment of Director -. Maureen Tamuno		
4	To ratify the appointment of Sola Oyetayo & Co as the External Auditor of the Company, successively for the years ended 31st December 2016 to 31st December, 2024 and to re-appoint Sola Oyetayo & Co as the External Auditor of the Company for the financial year ending 31st December, 2025		
5	To authorize the Directors to fix the remuneration of the External Auditor		
6	To disclose the remuneration of Managers of the Company.		
7	To elect Shareholders Representatives of the Statutory Audit Committee		
8	To consider and if deemed fit, pass the following as an ordinary resolution: To approve the remuneration of Non-Executive Directors.		
9	To consider and if deemed fit, pass the following as ordinary resolutions: a. To authorize the Directors of the Company, pursuant to Article 48 of the Company's Article of Association, to raise additional capital for the Company whether by way of rights issue, private placement, public offer, book building process or other methods, the issuance of corporate bonds in such size or volume, 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 the relevant regulatory authorities.		
	b. To authorize the Directors to enter into or execute any agreement, deeds, notices and any other documents as well as appoint such professional parties or advisers necessary for and/or incidental to effecting resolution 9(a) above.		
	c. To authorize the Directors to increase the share capital by such size and in such manner as well as make such allotments necessary, consequent and/or incidental to effecting resolution 9(a) above and make any further necessary or incidental modification to the memorandum and articles of association or any other necessary document or platform in this regard.		
10	To consider and if deemed fit, pass the following as special resolutions: a. That the 14,741,733,802 (Fourteen Billion, Seven Hundred and Forty One Million, Seven Hundred and Thirty Three Thousand, Eight Hundred and Two Naira) ordinary shares of 50 Kobo each in the share capital of the Company be consolidated at a ratio of three (3) existing shares into one (1) new share, resulting in 4,913,911,267 (Four Billion, Nine Hundred and Thirteen Million, Nine Hundred and Eleven Thousand, Two Hundred and Sixty Seven) ordinary shares of 50 Kobo each with same rights and restrictions as the existing shares prior to the consolidation.		
	b. That the reduced share capital of ₦4,913,911,267 (Four Billion, Nine Hundred and Thirteen Million, Nine Hundred and Eleven Thousand, Two Hundred and Sixty-Seven Naira) divided into 9,827,822,535 (Nine Billion, Eight Hundred and Twenty-Seven Million, Eight Hundred and Twenty-Two Thousand, Five Hundred and Thirty-Five) ordinary shares of 50 kobo each pursuant to the resolution above be credited to the Company's share reconstruction reserve account.		
	c. That the Board of Directors be and are hereby authorized to take or direct as it may deem fit, all actions and steps that are considered necessary to give effect to the above resolutions 9 & 10 herein, including but not limited to engagement of necessary professional advisers, rounding adjustments to fractional shares, necessary alteration of the Memorandum and Articles of Association as well as all other steps and actions with the relevant regulatory bodies, courts or however required in furtherance of resolutions 9 & 10 herein		

NOTE:

1. This Form has been prepared to enable you to exercise your right to vote at the meeting. The proceedings will be accessible to all members virtually through the Link sent to the Shareholders' e-mail and made available on our website, www.asoplc.com.
2. 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.
3. Please sign the proxy form and have it delivered at our registered office at Plot 266 FMBN Building, Central Business District, Abuja or with our Registrars, First Registrars & Investor Services Ltd at Plot 2, Abebe Village road, Iganmu, Lagos not less than 3 working days before the time of holding the Annual General Meeting.
4. If the shareholder is a corporate body, the proxy form should be signed by any duly authorized official and sealed with a common seal. In the case of joint holders, the signature of any one of them suffices but the names of all joint holders must be indicated.

SHAREHOLDERS INFORMATION UPDATE FORM

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

Name:

RC number (Corporate Organizations Only):

Number of shares held at 50k each:

Email Address:

Telephone No(s):

Address:

Mailing Address (If different from the above):

Next of kin:

Bankers:

Account Number:

Shareholders signature 1. (Single Shareholder)

2 (Joint Corporate Account)

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

Affix Current Passport

(To be stamped by Bankers)

Write your name at the back of your passport photograph

FirstRegistrars & INVESTOR SERVICES

E-DIVIDEND ACTIVATION FORM

Only Clearing Banks are acceptable

Instruction

Please complete all section of this form to make it eligible for processing and return to the address below.

This service costs N150.00 per approved mandate per company

The Registrar,
First Registrars & Investor Services Ltd.
2,Abebe Village Road,Iganmu
P. M. B. 12692 Lagos. Nigeria
Tel: 234-1-2799880, 2701078, 2701079.

I\We hereby request that henceforth, all my\our dividend Payment(s) due to me\us from my\our holdings in all the companies ticked at the right hand column be credited directly to my \ our bank detailed below:

Bank Verification Number ____________

Bank Name ____________

Bank Branch ____________

Bank Address ____________

____

Bank Account Number ____________

Account Opening Date ____________

Account Type (Tick) ☐ Current ☐ Savings

Shareholder Account Information

Surname ____ First Name ____ Other Names ____

Address : ____________

____

City ____ State ____ Country ____

Previous Address (If any) ____________

CHN (If any) ____________

Mobile Telephone 1 ____ Mobile Telephone 2 ____

Email Address ____________

Signature(s) ____________

Company's Seal

Joint\Company's Signatories ____________

TICK	NAMES OF COMPANY	ACCOUNT NUMBER
	ABC TRANSPORT PLC	
	ACAP CANARY GROWTH FUND	
	AFRICAN DEVELOPMENT BANK BOND	
	AFRICAN PAINTS PLC	
	ARM DISCOVERY FUND	
	ARM AGGRESSIVE GROWTH FUND	
	ARM ETHICAL FUND	
	ASO-SAVINGS AND LOANS PLC	
	AUSTIN LAZ AND COMPANY PLC	
	BAYELSA STATE GOVERNMENT BOND	
	BANK PHB (KEYSTONE BANK LIMITED)	
	BOC GASES NIGERIA PLC	
	CADBURY NIGERIA PLC	
	CHAMS PLC	
	CORE INVESTMENT SCHEME (COINS)	
	CORE VALUE ACCOUNT (COVA)	
	CR SERVICES (CREDIT BUREAU) PLC	
	CROSS RIVERS STATE GOVT BOND	
	DAAR COMMUNICATIONS PLC	
	DEAP CAPITAL MANAGEMENT & TRUST PLC	
	DELTA STATE GOVT BOND	
	DUFIL PRIMA FOODS BOND	
	DV BALANCED FUND	
	FAMAD NIGERIA PLC	
	FBN FIXED INCOME FUND	
	FBN HERITAGE FUND	
	FBN MONEY MARKET FUND	
	FBN NIGERIA EUROBOND (USD) FUND	
	FBN NIGERIA SMART BETA FUND	
	FIDELITY BANK PLC	
	FIDELITY BANK PLC BOND	
	FORTIS MICROFINANCE BANK PLC	
	FRIESLANDCAMPINA WAMCO NIGERIA PLC	
	ELEME PETROCHEMICALS COMPANY COOPERATIVE INVESTMENT AND CREDIT SOCIETY LTD	
	JULI PHARMACY NIGERIA PLC	
	LAGOS STATE BOND 167.5 BILLION 2ND DEBT ISSUANCE PROGRAMME N80 BILLION 14.5% (SERIES 1 BOND)	
	LAGOS STATE GOVT BOND 167.5 BILLION 2ND DEBT ISSUANCE PROGRAMME N87.5 BILLION 13.5% (SERIES 2 BOND)	
	LAGOS STATE GOVT BOND (3RD) SERIES 2 TRANCHE 1 N46.37 BILLION	
	LAGOS STATE GOVT BOND (3RD) SERIES 2 TRANCHE 2 N38.77 BILLION	
	LAGOS STATE GOVT BOND (3RD) SERIES 2 TRANCHE 3 N6.91 BILLION	
	LAGOS STATE GOVT BOND (3RD) SERIES 2 TRANCHE 4 N5.336 BILLION	
	LEARN AFRICA PLC	
	LOTUS HALAL EQUITY EXCHANGE TRADED FUND	
	MRS OIL NIGERIA PLC	
	NIGERIA POLICE MORTGAGE BANK PLC	
	NIGERIAN BREWERIES PLC	
	OANDO PLC	
	ONDO STATE GOVT BOND	
	OYO STATE GOVT BOND	
	PARTNERSHIP INVESTMENT CO.PLC	
	PRESCO PLC	
	PRESTIGE ASSURANCE PLC	
	PZ-CUSSONS NIGERIA PLC	
	RAK UNITY PETROLEUM PLC	
	REDEEMED GLOBAL MEDIA COMPANY	
	STANBIC IBTC BANK PLC FLOATING RATE& FIXED RATE SUBORDINATED UNSECURED NOTES BOND TRANCHE A & B	
	STANBIC IBTC BOND FUND	
	STANBIC IBTC ETF 30 FUND	
	STANBIC IBTC ETF 40 FUND	
	STANBIC IBTC BALANCED FUND	
	STANBIC IBTC DOLLAR FUND	
	STANBIC IBTC ETHICAL FUND	
	STANBIC IBTC GUARANTEED INVESTMENT FUND	
	STANBIC IBTC HOLDINGS PLC	
	STANBIC IBTC IMAN FUND	
	STANBIC IBTC MONEY MARKET FUND	
	STANBIC IBTC NIGERIAN EQUITY FUND	
	STANDARD ALLIANCE INSURANCE PLC	
	UBA FIXED RATE SUBORDINATED UNSECURED NOTES BOND	
	UNION DIAGNOSTIC AND CLINICAL SERVICES PLC	
	UPDC REITS	
	VANTAGE BALANCED FUND (ACCUMULATED)	
	VANTAGE BALANCED FUND (INCOME)	
	VANTAGE GUARANTEED INCOME FUND	
	VALUEALLIANCE FUND	
	VETIVA FUND BOND	
	VETIVA GRIFFIN FUND	
	VETIVA S & P NIGERIAN SOVEREIGN BOND ETF	
	WEST AFRICAN ALUMINIUM PRODUCTS (WAAP)	
	ZAMFARA STATE BOND	