ASSET MANAGEMENT CORPORATION OF NIGERIA

Full Year Audited Group Results Presentation
for the year ended 31 December 2011

Important Notice

The information in this presentation is given in confidence and may not be reproduced or redistributed to any other persons. AMCON holds copyright to the information, unless expressly indicated otherwise or this is self-evident from its nature. Written permission from AMCON is required to republish the information or to distribute or copy such information.

This document has been prepared solely for use at the investor relation presentations held in connection with presenting the year end December 2011 results of the Asset Management Corporation of Nigeria ("AMCON"). The information presented herein is based on sources which AMCON regards as dependable and unless otherwise stated, AMCON is the source of all data in this document.

The information set out herein may be subject to updating, revision, verification and amendment and such information may change materially. AMCON is under no obligation to update the information contained in this presentation and any opinions expressed in it is subject to change without notice. None of AMCON or any of its respective affiliates, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss whatsoever arising from any use of this document or its contents, or otherwise arising in connection with this presentation.

Neither AMCON nor any of its representatives makes any representation or warranty, expressed or implied, as to the accuracy or completeness of any of the information contained in this document. Only those particular representations and warranties, if any, which may be made in a definitive written agreement, when, as and if executed, and subject to such limitations and restrictions as may be specified therein, will have any legal effect.

Any market analysis and estimates presented in this document represent the subjective views of AMCON or the source referenced, if any.

Outline

AMCON at a Glance …

BACKGROUND

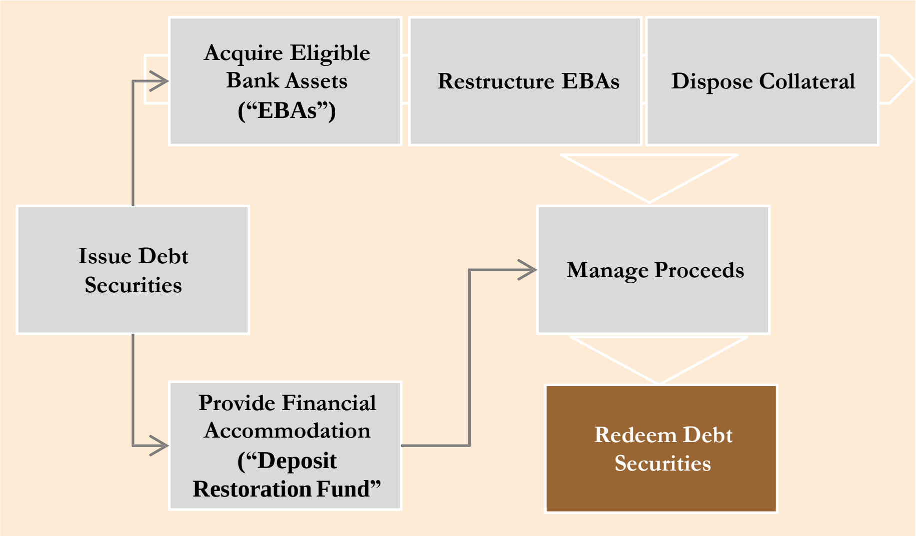
harmonization by the National Assembly and its adoption by the Senate. The Bill was signed into Law by the President in July 19, 2010

- AMCON's Board and Senior Management Team were appointed in Q3 2010.

OBJECTIVES

- The main purpose of AMCON is to stimulate the recovery of the Nigerian financial system through:
  - providing liquidity to the Intervened Banks and the non-Intervened Banks
  - providing capital to the Intervened Banks and the non-Intervened Banks
  - increasing confidence in bank balance sheets
  - increasing access to restructuring/refinancing opportunities for borrowers

FUNCTIONS



KEY FEATURES

- Share Capital of ₦10 billion contributed evenly by the Ministry of Finance ("MOF") and CBN
- Currently has 2 office locations – Abuja and Lagos
- Has a ten (10) member Board of Directors responsible for the attainment of the objectives of the Corporation
- Staff strength – 205

Rationale for AMCON in Nigeria

Rationale

Failure to resolve the banking crisis would have led to:

- **Continued shut down of credit markets, increased job losses...**
- **Negative impact on Nigeria"s credit rating and risk rating, as a result of banks" negative shareholders" funds**
- **Negative impact on the real sector. The Intervened Banks had:**
  - ✓ **₦4.7 trillion deposits and Interbank takings, including over ₦2 trillion of Public Sector funds**
  - ✓ **8-10 million customers; and**
  - ✓ **50,000 staff**
- **Contagion impact on other banks – with total banking deposits of ₦10.9 trillion**
- **As evident from the recently announced NDIC settlement of depositors of failed banks at 3 kobo per Naira**
- **Diminished confidence by foreign creditors and investors**

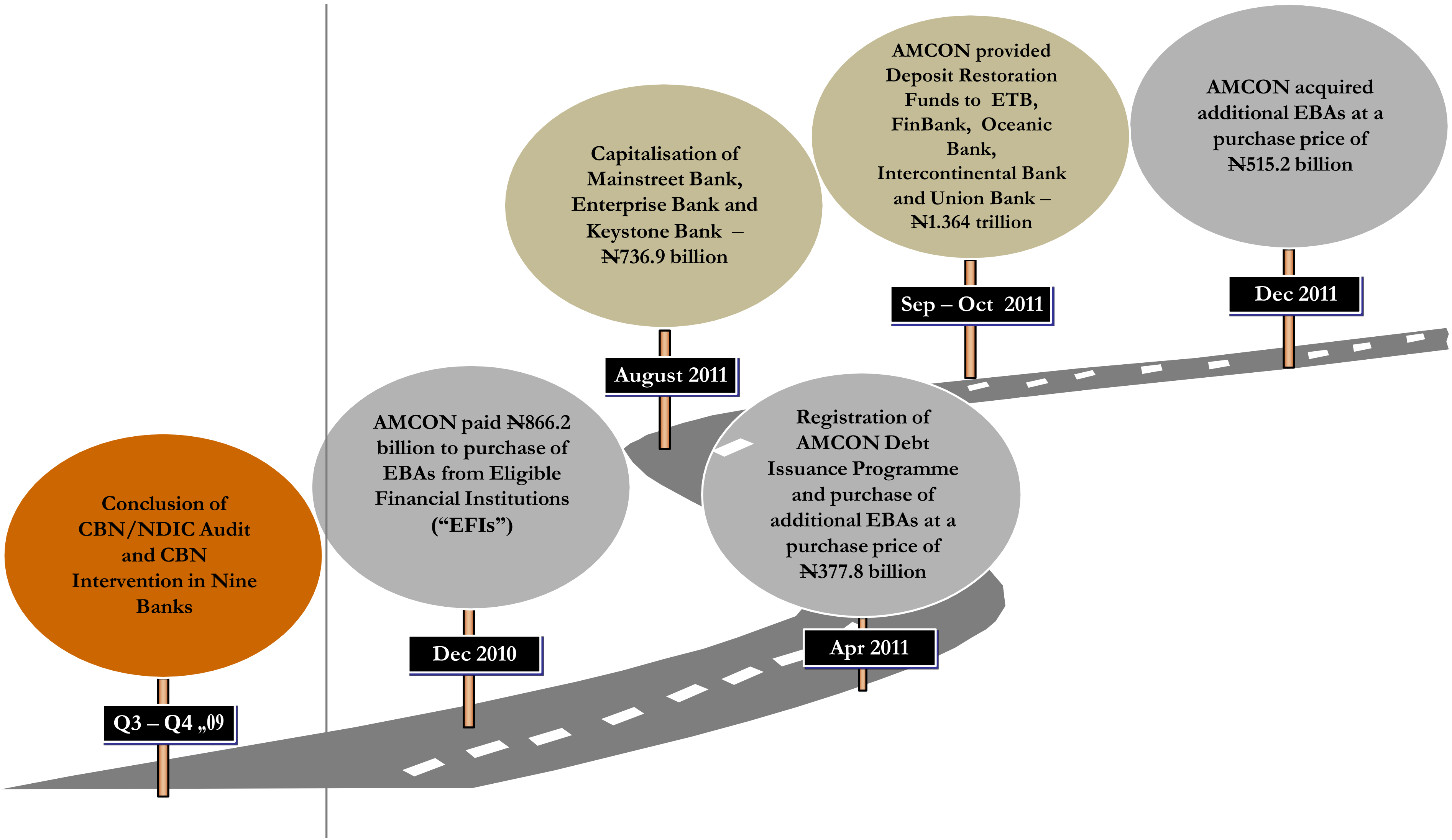
Without an AMC, the only option available to the Government would have been to liquidate the Banks through the NDIC ….

Financial implications of liquidating Intervened Banks[a][b]

Bank	Deposits	Due to Banks	Total (₦"mn)	Total (US$"mn)
Union	729,566	51,274	780,840	5,205
Oceanic	552,766	211,014	763,780	5,092
Intercontinental	563,024	276,847	839,871	5,599
Bank PHB	700,782	145,477	846,259	5,642
Afribank	355,531	2,936	358,467	2,390
ETB	163,023	48,268	211,291	1,409
Unity	202,156	4,707	206,863	1,379
Finbank	158,493	17,712	176,205	1,175
Spring	131,927	24,200	156,127	1,041
Wema	101,652	-	101,652	677
Grand Total	**3,658,920**	**782,434**	**4,441,355**	**29,609**

(a) as at 30 September 2009
(b) excludes foreign FX lines, etc.

The Journey So Far…



AMCON has acquired significant Banking Sector EBAs

DECEMBER 31, 2010

- EBA Value Purchased – ₦2.46 trillion
- AMCON Purchase Price – ₦866.2 billion

- All Banking Sector Margin Loans
- All NPLs of Intervened Banks

APRIL 6, 2011

- EBA Value Purchased – ₦675.2 billion
- AMCON Purchase Price – ₦377.8 billion

- Non-Margin NPLs acquired from 22 Nigerian DMBs

DECEMBER 28, 2011

- EBA Value Purchased – ₦885.3 billion
- AMCON Purchase Price – ₦515.2 billion

- Systemically important Loans
- Repricing of acquired EBAs

AMCON purchased total EBAs worth ₦4.02 trillion at a price of ₦1.76 trillion

AMCON‟s Financing Plan

SOURCES OF FUNDS

- Equity (CBN & MoF)
- Zero-Coupon Bonds
- Debenture - CBN

USES OF FUNDS

- EBA Purchases
- Capitalisation of AMCON 3
- Deposit Restoration Funds
- AMCON‟s Operations

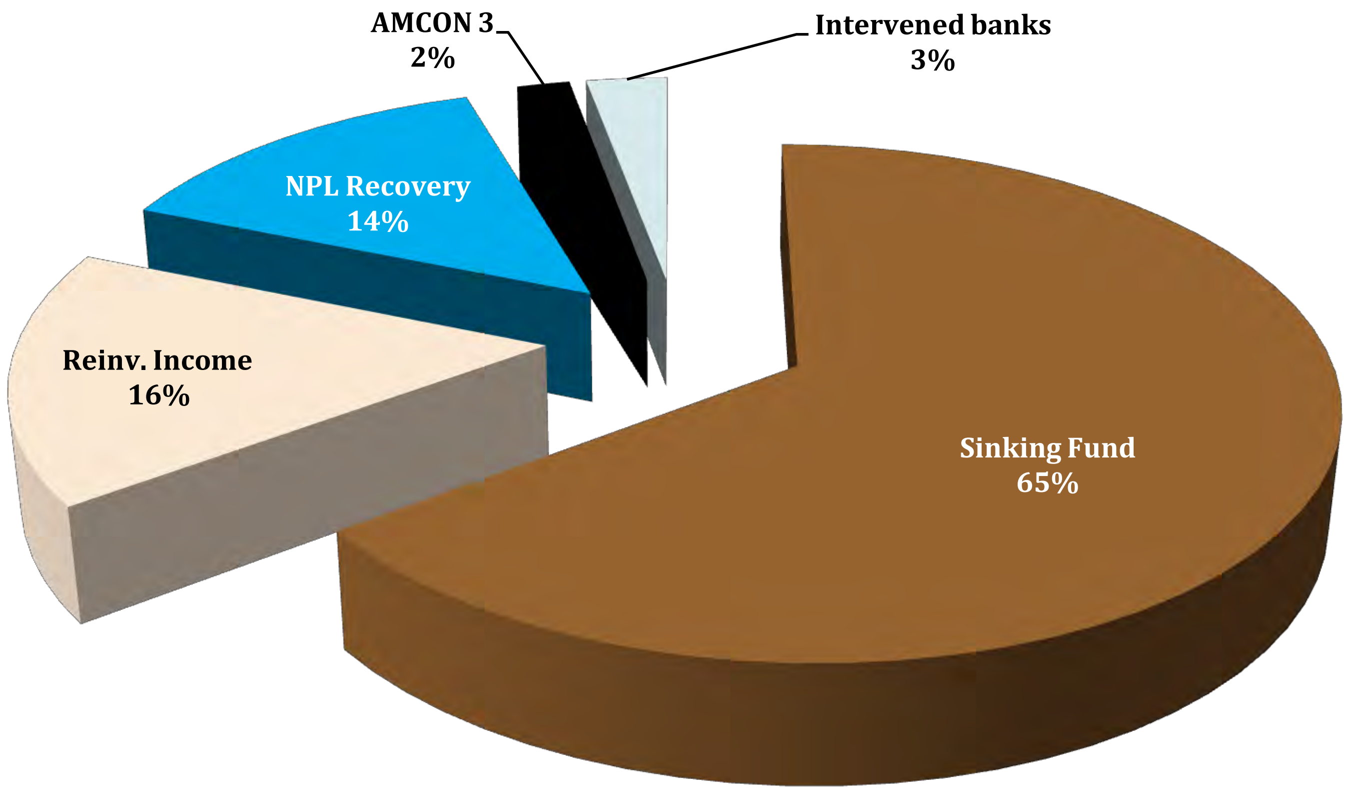
CASH FLOW SOURCES

- Recoveries on EBAs purchased
- Proceeds from sale of AMCON 3
- Proceeds from sale of shares in Intervened Banks
- Cash Reinvestment Income
- Sinking Fund Contributions

FUNDS UTILISATION

- Refinancing of Bonds
- Servicing and Redemption of Liabilities
- Financing of AMCON‟s Operations

Sinking Fund will be a major source of future cash flows



Key Assumptions in the AMCON Financing Model

RECOVERY ASSUMPTIONS	
NPL recovery	80%
AMCON 3 recovery	25%
Recovery from Intervened Banks	20%
Start period (duration) – NPL Recovery *	H1 2011 (3yrs)
Start Period (duration) – Bridge bank recovery	H2 2014 (2 yrs)
Start Period (duration) - M&A recovery	H1 2015 (2 yrs)
Start Period (duration) – NPL recovery **	H1 2012 (3 yrs)

** NPLs acquired on December 31, 2010 and April 6, 2011*

*** NPLs acquired on December 28, 2011*

DEBT SERVICE AND OTHER ASSUMPTIONS	
Reinvestment rate	16.6%
Refinancing bond coupon	13.3%
Refinancing bond terms	Various Maturities
Reinvestment spread to bond	3.3%
Tier II Capital interest (Quarterly repayment)	3%
Tier II Capital tenor	11yrs
Minimum Sinking Fund Reinvestment yield	13.3%

SINKING FUND ASSUMPTIONS	
Annual Infusion by CBN	₦50 billion
Annual % contribution by Banks (of total assets)	0.5%
Duration of Sinking Fund	Until resolution of costs of bailout
Estimated annual growth rate in Banking Sector assets	20%

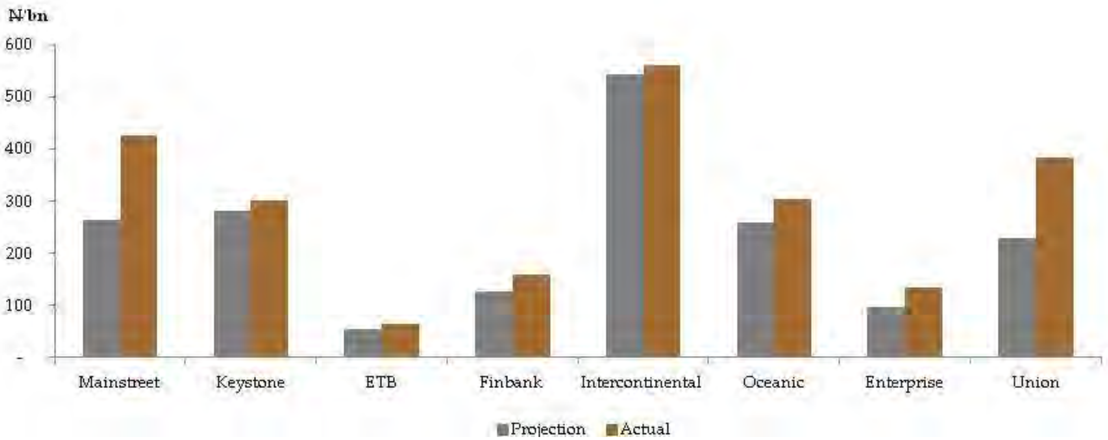
CAPITAL INJECTED	
Paid-up Capital	₦10 billion
Tier II Capital (Debenture)	₦500 billion

Current aggregate cost of funds – 11.7% | Average reinvestment rate – 16.6% | Reinvestment spread – 3.3%

Exchange Rate Assumption – US$1=NGN155

Resolution Costs – Actual vs Projected

Deposit Restoration /Capital Injection – Projected vs. Actual



Total Projected (Nbn):	₦1,858
Total Actual (Nbn):	₦2,333
Percentage Variance:	25.6%

NPL Purchase – Projected vs. Actual

	Collateral Value (N'mn)	AMCON Price (N'mn)	Book Value @ time of purchase (N'mn)
Total	**483,591**	**1,648,151**	**3,591,516**
Variance (%)		**241%**	**40%**

It was initially anticipated that AMCON would purchase NPLs using the underlying value of the collateral. However, the final purchase price was decided using AMCON guidelines.

Actual EBA purchased by AMCON was 40% more than the initial estimates

AMCON's actual EBA acquisition costs was more that twice the initial estimates

Outline

December 2011 Highlights

Background	▪ FY2011 was the Corporation's first full operational year in which it undertook its mandate to stimulate the recovery of the Nigerian financial system
EBAs Acquisition	▪ Between December 31, 2010 and December 31, 2011, the Corporation acquired N4.2 trillion Eligible Bank Assets ("EBAs") from 22 Deposit Money Banks
Balance Sheet Highlights	▪ Total Assets: ₦1.88 trillion ▪ Total liabilities: ₦4.24 trillion ▪ Total Equity: ₦(2.36) trillion
Income Statement Highlights	▪ Gross Earnings: ₦4.68 billion ▪ Operating Loss: ₦(220.1) billion ▪ Exceptional Item: ₦(2.11) trillion ▪ Loss after Tax: ₦(2.37) trillion
Operational Highlights	▪ AMCON was created to protect ₦4.7 trillion of depositor's funds and Interbank takings ▪ 88% of losses incurred in protecting deposits and interbank takings in FY2011

Comprehensive Income Statement

	Group Dec. 2011 (₦"mn)	Corporation Dec. 2011 (₦"mn)
Gross Earnings	57,325	4,681
Interest Income	40,724	4,199
Interest Expense	(243,086)	(224,728)
Net Interest Loss	**(202,361)**	**(220,529)**
Operating Loss	**(185,761)**	**(220,047)**
Operating Expenses	(71,874)	(7,120)
Asset Impairment Charges	(59,313)	(32,749)
Share of profit in associates	812,910	--
Exceptional Item	**(2,126,535)**	**(2,113,489)**
Loss before Tax	(2,442,671)	(2,373,405)
Loss attributable to the Group	**(2,439,701)**	**(2,373,405)**

Comments

- Gross Earnings derived mainly from the corporation's subsidiary
- Circa N2.37 trillion of total costs by the corporation in 2011
- Circa ₦225bn of bond coupon accruals in 2011 (9.45% of total expenses)
- The Corporation's Operating Income is negative due to the current assets – liabilities mismatch
- The exceptional item represents mark to market charge on the 8 intervened banks

Analysis of Loss

Details	N'000	N'000			
Net Loss for the year		**2,373,405,176**			
Analysis of Total Costs					
Diminution in Investments in Intervened Banks	1,332,902,644		56.23%	88.28%	
Diminution in Investments in Recapitalised Banks	762,150,900		32.05%		98.92%
Finance Cost (interest on Bonds issued)	224,728,366		9.45%	10.64%	
Diminution in value of Forfeited and other securities	28,403,655		1.19%		
Loss on Restructured Assets	14,024,293		0.59%		
Professional fees paid	3,265,411		0.14%		
Provision for restructured loans	4,563,722		0.19%		
Overhead Costs	3,854,846		0.16%		
Total Costs	**2,373,893,837**		100%		

Details of Diminution in Intervened & Rescued Banks

5 Intervened Banks

N'000	FA	Market Value Dec 31, 2011	Diminution Dec 31, 2011	Percentage Loss Dec 31, 2011	% of Total Loss
Intercontinental Bank	561,583,438	3,599,999	(557,983,439)	99.36%	23.5
Union Bank	382,814,220	102,031,812	(280,782,408)	73.35%	11.8
Equitorial Trust Bank	64,515,737	1,586,090	(62,929,647)	97.54%	2.6
Oceanic Bank	304,680,328	23,980,016	(280,700,313)	92.13%	11.8
FinBank	154,699,520	-	(154,699,520)	100.00%	6.5
	1,468,293,243	**117,866,377**	**(1,332,902,644)**	**91.06%**	**56.2**

3 Rescued Banks

N'000	Cost	Net Asset Value Dec 31, 2011	Diminution Dec 31, 2011	Percentage Loss Dec 31, 2011	% of Total Loss
Keystone Bank Limited	300,673,147	29,349,055	(271,324,092)	90.24%	11.41
Mainstreet Bank Limited	425,562,011	41,615,478	(383,946,533)	90.22%	16.15
Enterprise Bank Limited	135,032,301	28,152,026	(106,880,275)	79.15%	4.49
	861,267,459	**99,116,559**	**(762,150,900)**	**88.49%**	**32.05**

Balance Sheet – Assets

	Group Dec. 2011 (₦'m)	Corporation Dec. 2011 (₦'m)
Cash and balances with CBN	132,582	.034
Treasury Bills	300,105	45,050
Due from other banks	346,158	30,695
Purchased loans	1,278,198	1,279,425
Loans and advances	459,091	198,257
Investment securities	395,852	44,006
Investment in subsidiaries	--	222,495
Investment in associates	13,767	--
Deferred Tax Assets	99,102	--
Other Assets	119,814	11,869
Investment Property	85,258	44,313
Property and equipment	108,457	609
Intangible Assets	2,008	--
Total Assets	**3,340,393**	**1,876,720**

Comments

- A significant portion of Treasury Bills held by the Group is held by the subsidiary companies
- Purchased loans comprises of 68% of the Corporation's total assets
- The Corporation's Loans and Advances are Restructured loans that are now performing
- Investment in subsidiaries constitute 11.8% of the Corporation's total asset

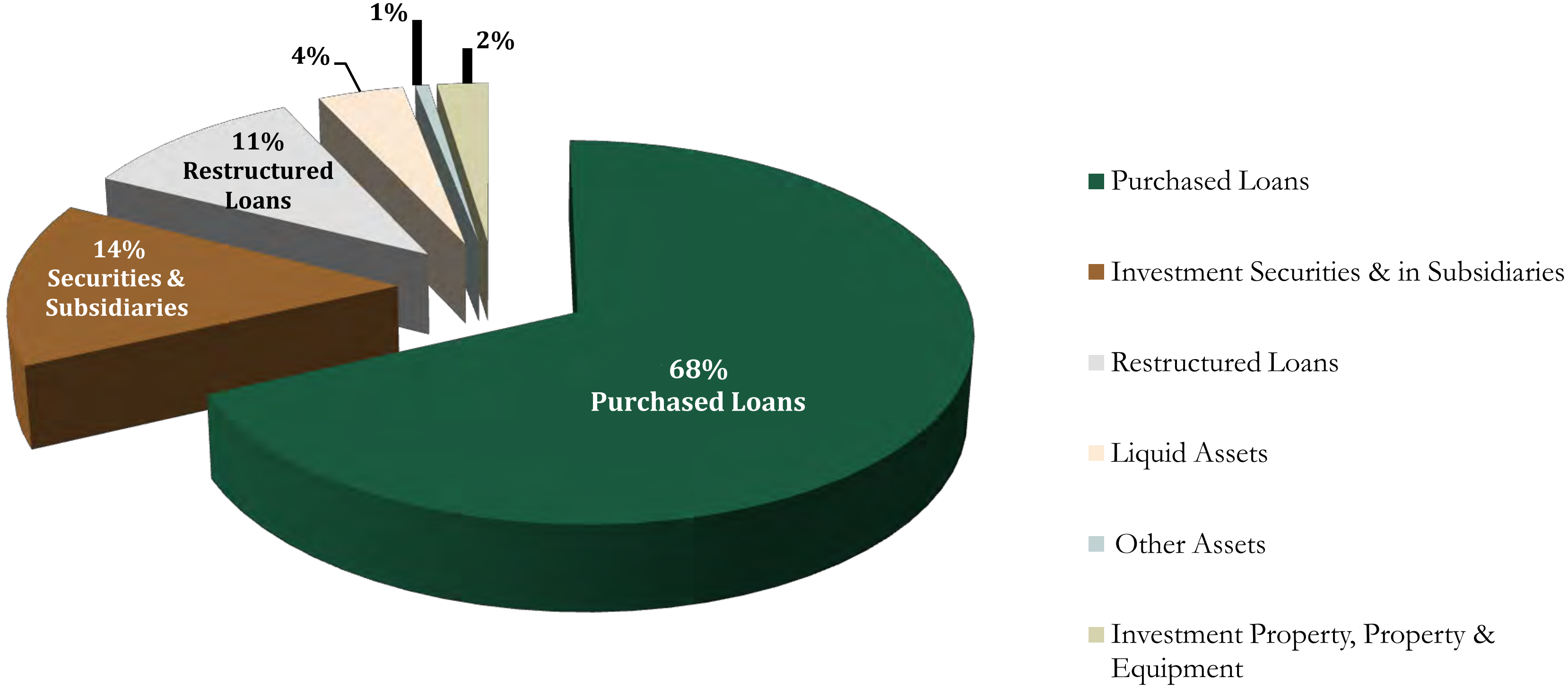
Balance Sheet – Liabilities

	Group Dec. 2011 (₦'m)	Corporation Dec. 2011 (₦'m)
Customer deposits	1,129,333	--
Due to other deposits	85,035	--
Borrowings	32,332	--
Current income tax	10,417	--
Other Liabilities	451,805	56,526
Deferred tax liabilities	1,226	--
Retirement benefit obligation	62,186	62
Bonds	3,913,680	4,183,592
Total Liabilities	**5,686,014**	**4,240,180**

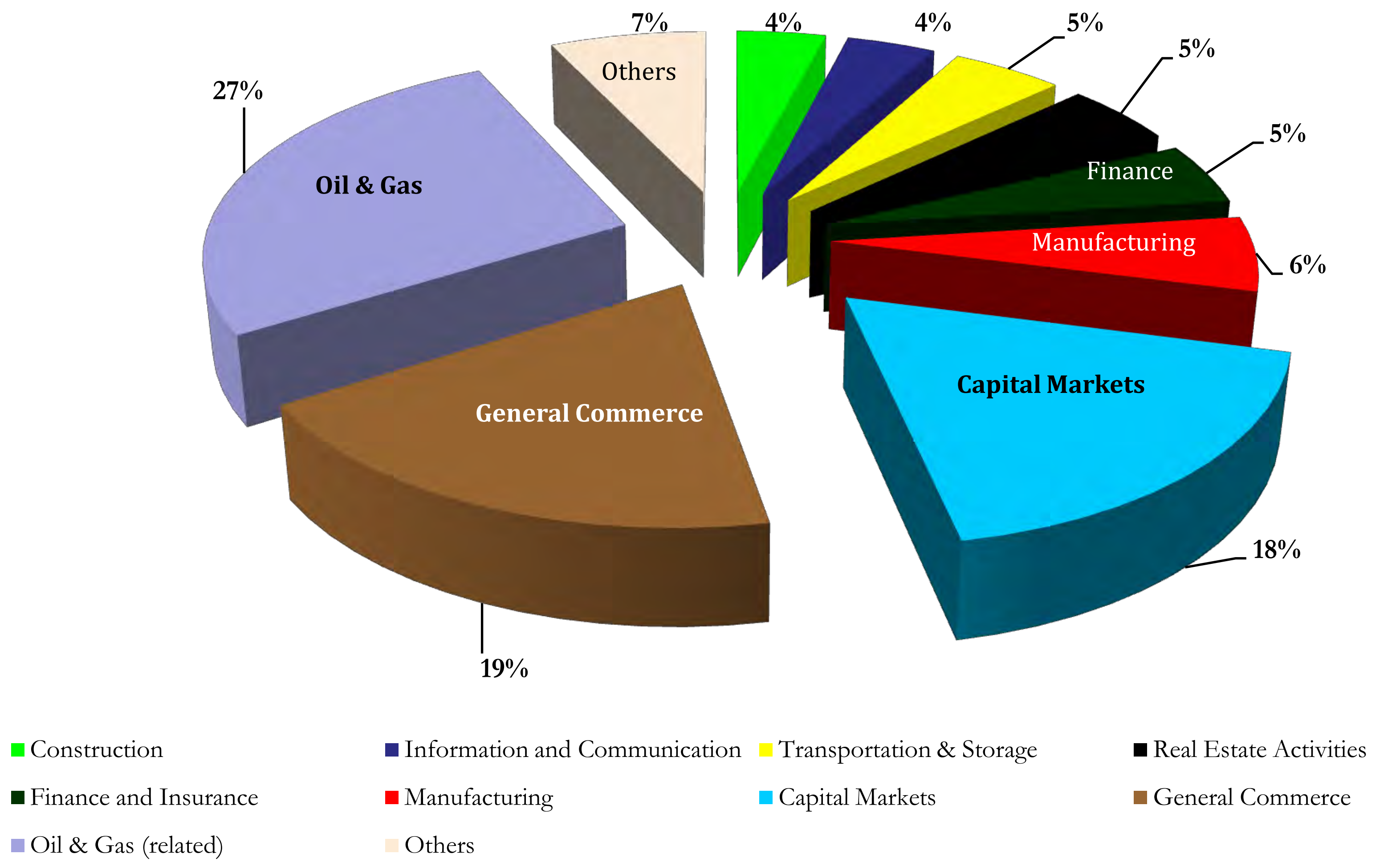
Comments

- The Corporation is not a Deposit taking entity hence, the deposits shown on the Group accounts are from its DMB subsidiaries
- c.99% of the Corporations total liabilities is the outstanding bonds
- Other Liabilities comprises of unearned income and accounts payables

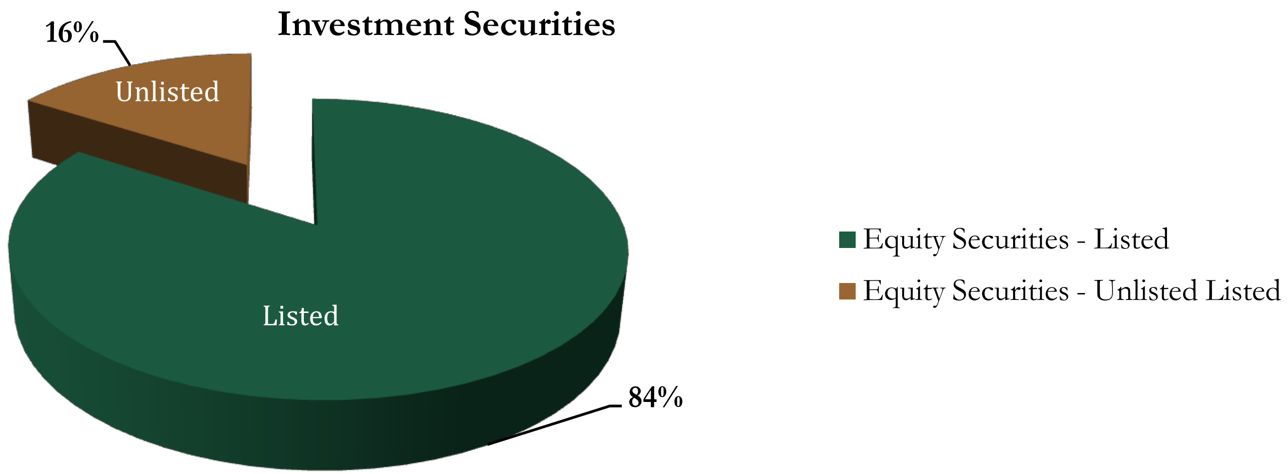
Breakdown of Total Assets

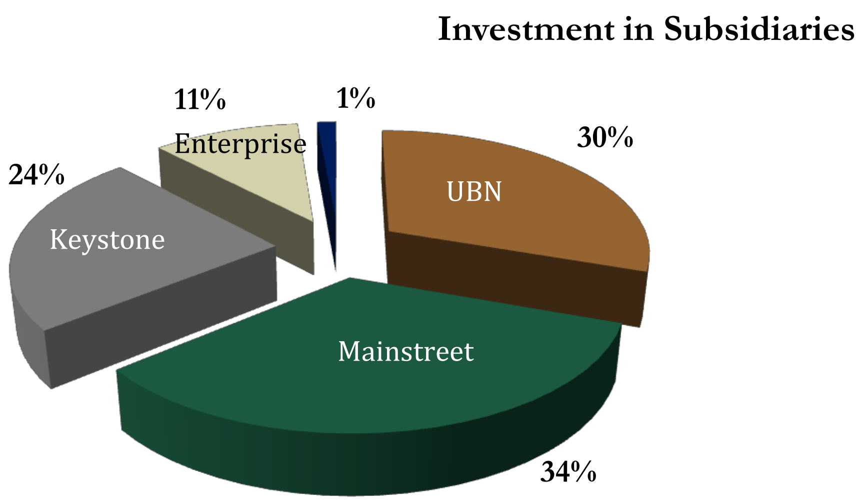


AMCON Loan Distribution – by sector



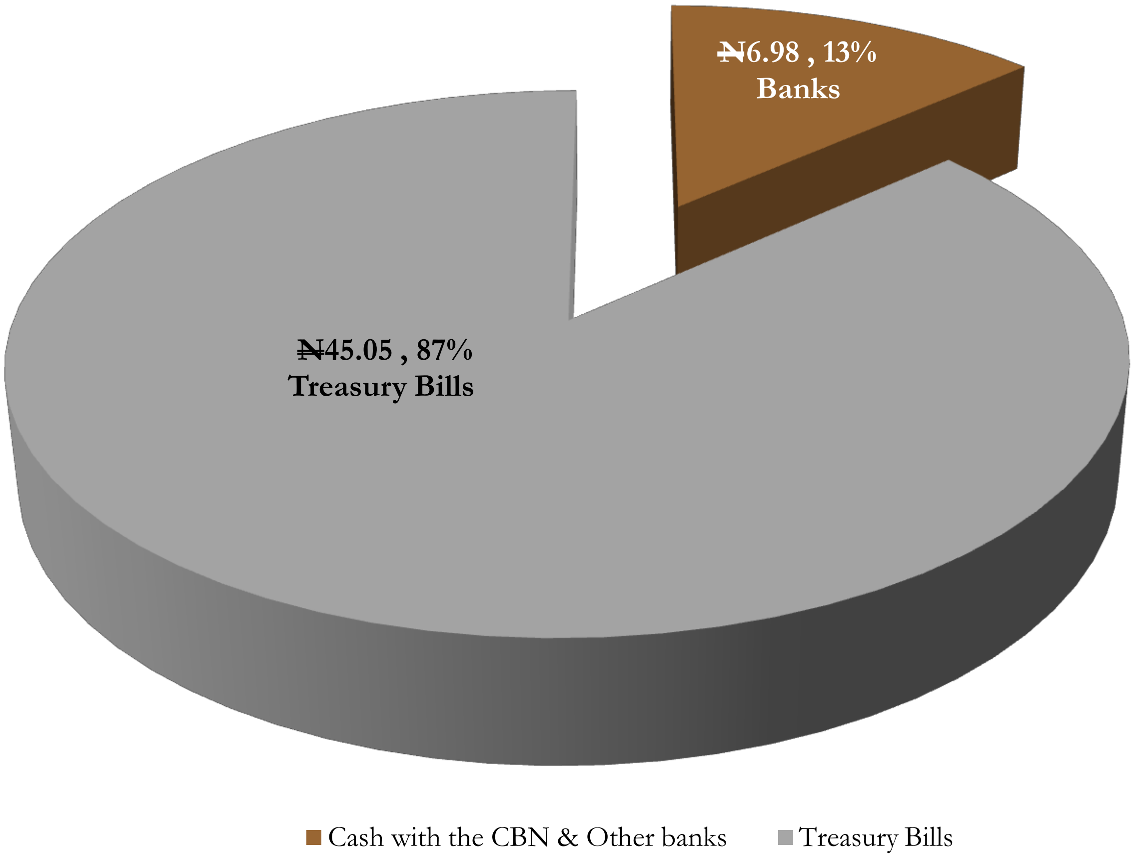
Overview of Other Assets Classes



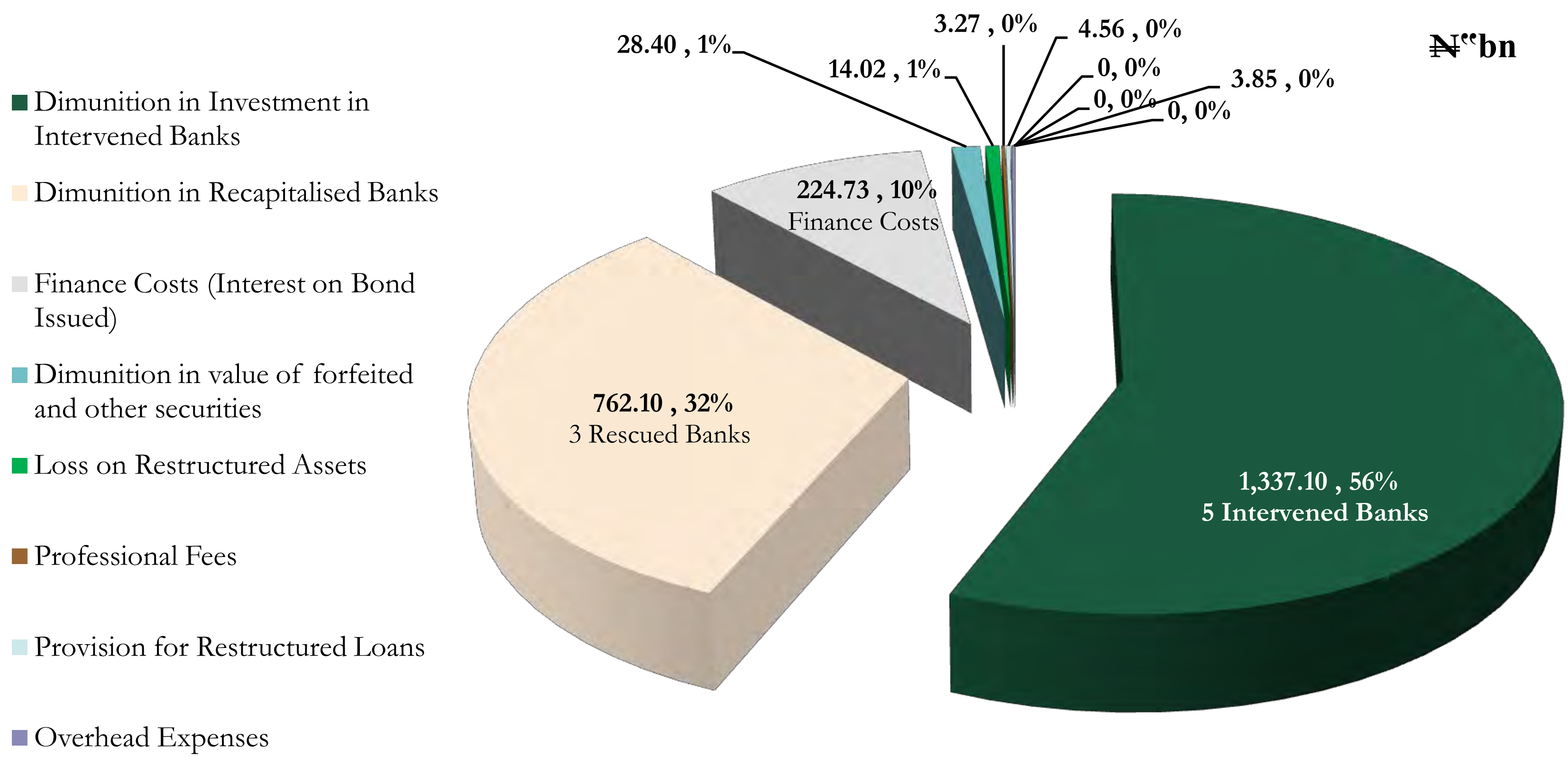


	AMCON % holding
Union Bank of Nigeria Plc	(58.97%)
Mainstreet Bank Limited	(100%)
Keystone Bank Limited	(100%)
Enterprise Bank Limited	(100%)
ASCOT Offshore Nigeria Limited	(95%)

Overview of Liquid Assets



Breakdown of Total Costs



OVERVIEW OF AMCON

DECEMBER 2011 FINANCIAL REVIEW

FINANCIAL PERFORMANCE REVIEW

RISK MANAGEMENT

OUTLOOK

APPENDICES

Balance Sheet – December 2011 vs. September 2012

	Unaudited Sept. 2012 (₦'mn)	Audited Dec. 2011 (₦'mn)	Percentage Change (%)
Cash and balances with CBN	54,477	.034	NMF
Treasury Bills	118,887	45,050	163.9
Due from other banks	758	30,695	(97.5)
Purchased loans	3,085,264	1,279,425	141.1
Loans and advances	--	198,257	N/A
Investment securities	32,079	44,006	(27.1)
Investment in subsidiaries	182,621	222,495	(16.3)
Investment in associates	59,305	--	N/A
Other Assets	8,682	11,869	(26.9)
Investment Property	42,747	44,313	(3.5)
Property and equipment	1,257	609	106.4
Discount on Bonds	986,092	--	N/A
Total Assets	**4,572,421**	**1,876,720**	143.6
Bonds	5,532,599	4,183,591	32.2
Other Liabilities	45,155	56,587	(20.2)
Discount on Acquired Assets	1,772,035	--	N/A
Net loss	(509,194)	--	N/A
Net Asset Value	**(2,268,175)**	**(2,363,460)**	**4.0**

OVERVIEW OF AMCON

DECEMBER 2011 FINANCIAL REVIEW

FINANCIAL PERFORMANCE REVIEW

RISK MANAGEMENT

OUTLOOK

APPENDICES

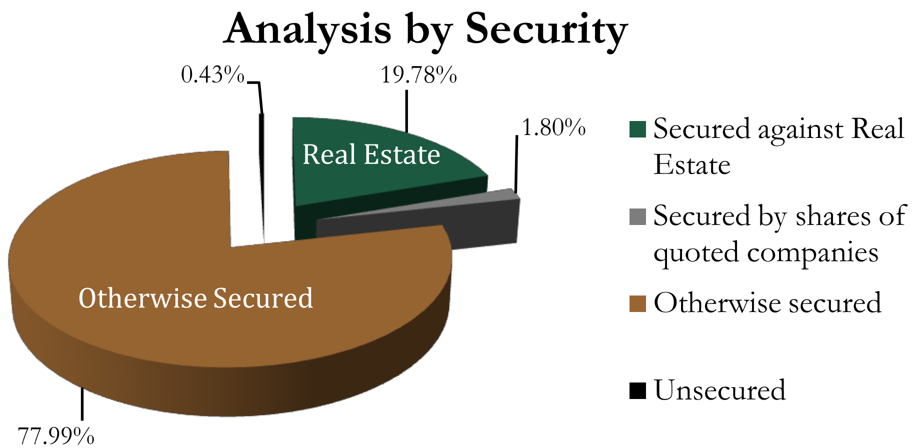
Risk Management Framework - Approach

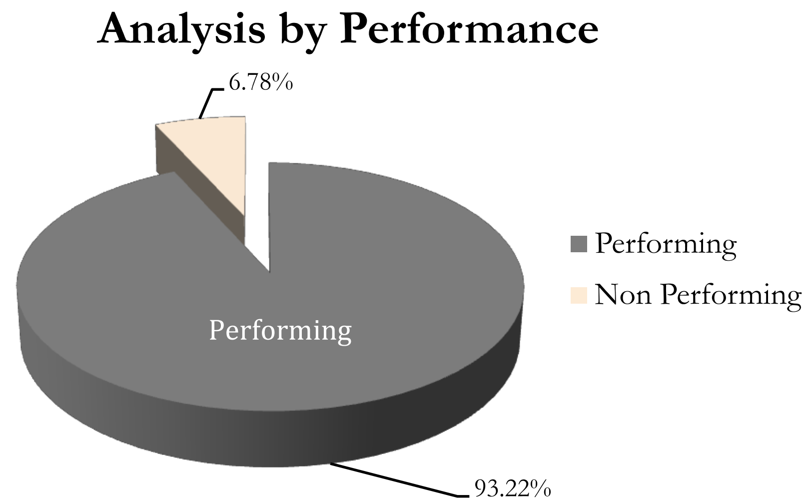
1. Risk Identification	2. Risk Evaluation	3. Risk Mitigation	4. Risk Governance & Reporting
▪ Know areas of vulnerability (credit, market, legal, regulatory etc) ▪ Carry out a full portfolio evaluation based on these areas. ▪ Document risk issues. ▪ Ensure transparency through robust management information and reporting on risks identified.	▪ Agree an appropriate methodology for risk exposure measurement – In house / vendor processes and systems. ▪ Ensure pricing integrity and independent verification. ▪ Insist on quality control and data integrity.	▪ Set a strategy for the management of specific risks. ▪ Engage risk expertise in decision making processes. ▪ Implement policies to cover key risks and ensure these are complied with. ▪ Define control framework ▪ Dedicate resource to deal with key risk issues. ▪ On going evaluation and review.	▪ Implement a risk governance forum which may be stand alone or combined within existing management governance structures. ▪ Use key risk indicators to aid monitoring and reporting. ▪ Issue escalation protocol.

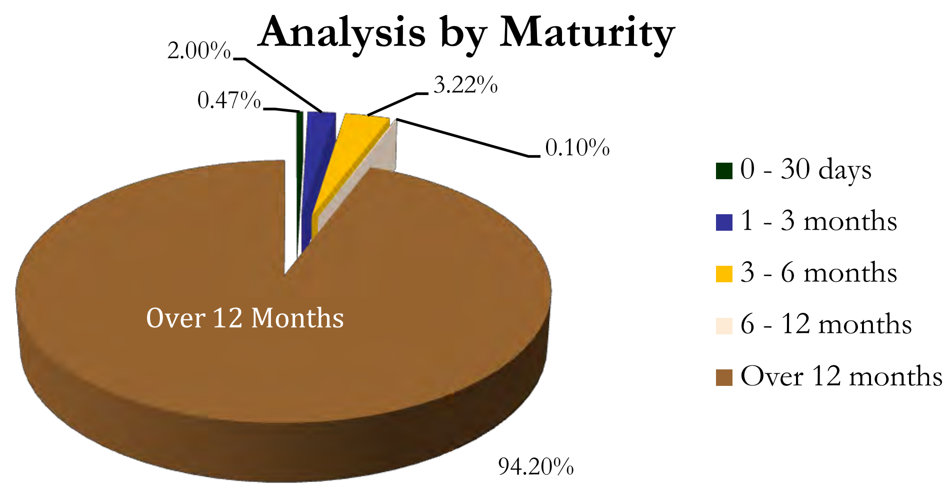
Key Risks Facing AMCON

RISK	DESCRIPTION	MITIGANT(S)
Refinancing Risk	▪ Challenges in refinancing Zero Coupon Bonds when they fall due	▪ More developed, liquid and informed debt market ▪ On-going investor engagement
Funding Risk	▪ Risk that liabilities cannot be repaid as they fall due	▪ Sinking Fund ▪ Recoveries
Interest Rate Risk	▪ Exposure to an adverse change in the market value of financial instruments caused by a change in market price or rates	▪ Asset – Liability Management
Counterparty Credit	▪ A counterparty's inability to make payments or otherwise perform under its contracts with AMCON leading to direct credit exposure as well as open market risk positions	▪ Powers under the AMCON Act
Operational	▪ Risk of loss due to inadequate or failed internal processes, people, systems or external events.	▪ Best Practices in Management, Processes and Policies ▪ Access to resources

Risk Profile of Loans & Advances







OVERVIEW OF AMCON

DECEMBER 2011 FINANCIAL REVIEW

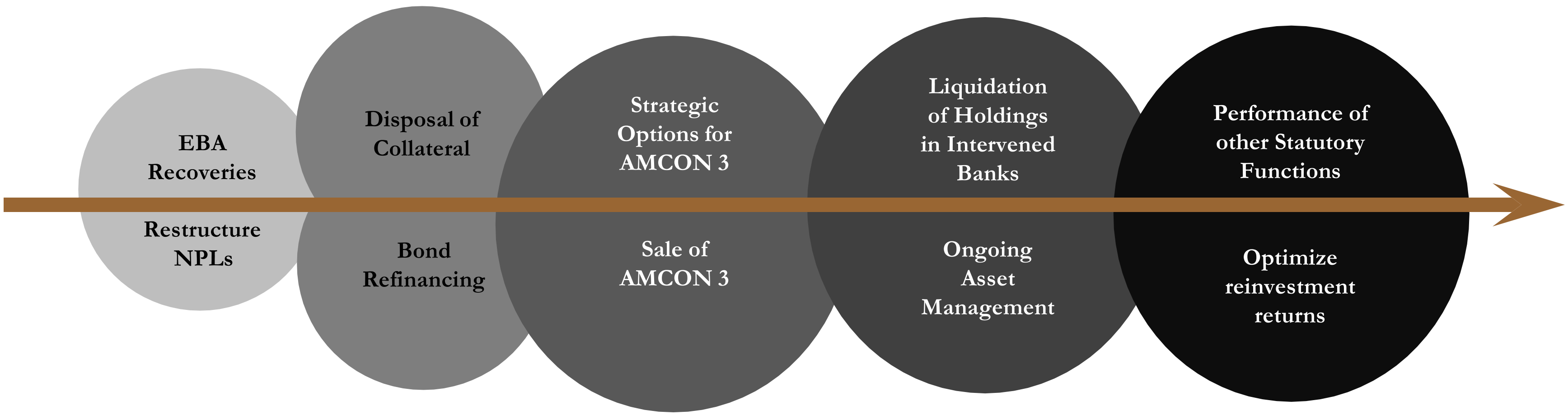
FINANCIAL PERFORMANCE REVIEW

RISK REVIEW

OUTLOOK

APPENDICES

Key Priorities for AMCON



OVERVIEW OF AMCON

DECEMBER 2011 FINANCIAL REVIEW

FINANCIAL PERFORMANCE REVIEW

RISK REVIEW

OUTLOOK

APPENDICES

A Breakdown of AMCON Bond Issuances

Issuance	Purpose	Discounted Value (₦'m)	Bond Face Value (₦'m)	Yield (%)	Maturity Date
Series I Tranches I	EBAs Acquisition	785,747	1,164,951	10.125	Dec. 31, 2013
Series I Tranches II	Price Discovery	12,878	17,620	11.800	Dec. 31, 2013
Series I Tranches II	Additional EBAs	377,764	516,864	11.800	Dec. 31, 2013
Series II	Injection in Bridge Banks	765,299	1,001,772	10.500	Aug. 8, 2014
Series III	Deposit Restoration Fund	64,500	88,812	10.500	Nov. 15, 2014
Series IV	Deposit Restoration Fund	1,299,802	1,908,318	13.000	Oct. 31, 2014
Series V Bonds	Additional EBAs, Deposit Restoration Fund	644,729	929,404	13.000	Oct. 31, 2014
Total		**3,894,070**	**5,464,928**		

Characteristics & Pricing Terms of Registered Bonds

LIQUIDITY STATUS	• The Bonds qualify as instruments in which – the CBN may invest under the CN Act 2007, – pension funds may invest under the Pension Reform Act 2004, and – liquid assets for banks for the purposes of computing liquidity ratios.
GUARANTEE	• The Bonds issued are guaranteed by the Federal Republic of Nigeria pursuant to Sections 26(1) and 27 of the AMCON Act
TRADING & SETTLEMENT	• The Bonds maybe traded on the NSE and/ or Over The Counter in the same manner as FGN, Sub-national and bonds utilizing the CBN or Nigeria inter-bank settlements System for settlement arrangements
CANCELLATION	• All Bonds issued in certificate form which are redeemed will be surrendered to the registrar for cancellation. All Bonds cancelled will be forwarded to the Issuer and the obligations of the Issuer in respect of any such Bonds shall be discharged
EARLY REDEMPTION	• The Issuer may, with written notice, redeem the Bonds in part or in whole subject to the Shelf Prospectus
TAXATION	• The Bonds are exempt from taxation in Nigeria

SERIES I | Face Value: ₦1.7 trillion | Discounted Proceeds: ₦1.3 trillion

Tranche	I	II	III
Yield	10.125%	11.80%	11.80%
Issue Date	31-Dec-2010	6-Apr-2011	6-Apr-2011
Maturity	31-Dec-2013	31-Dec-2013	31-Dec-2013
Issue Price	₦743.56	₦730.88	₦730.88

SERIES II Face Value: ₦417.3 bn Discounted Proceeds: ₦306.9 billion	Yield: 10.50% Issue Date: 8-Aug-2011 Maturity Date: 8-Aug-2014 Issue Price: ₦735.64
SERIES III Face Value: ₦88.81 bn Discounted Proceeds: ₦64.45 billion	Yield: 10.50% Issue Date: 27-Sep-2011 Maturity Date: 15-Nov-2014 Issue Price: ₦725.69
SERIES IV Face Value: ₦1.365 trillion Discounted Proceeds: ₦929.8 billion	Yield: 13.00% Issue Date: 14-Oct-2011 Maturity Date: 31-Oct-2014 Issue Price: ₦681.13
SERIES V Face Value: ₦929.4 billion Discounted Proceeds: ₦648.8 billion	Yield: 13% Issue Date: 28-Dec-2011 Maturity Date: 31-Oct-2014 Issue Price: ₦699.23

***All AMCON Bonds are Zero Coupon , ₦1,000 Face Value per unit, Semi Annually Compounding and have Actual/Actual Count Fraction**

AMCON

Asset Management Corporation of Nigeria

RESULTS FOR THE YEAR ENDED 31 DECEMBER 2011

BALANCE SHEET
AS AT 31 DECEMBER 2011

	Group 31 Dec 2011 N'000	Corporation 31 Dec 2011 N'000	Corporation 31 Dec 2010 N'000
ASSETS			
Cash and balances with Central Bank of Nigeria	132,582,072	34	67
Treasury bills	300,105,345	45,049,923	-
Due from other banks	346,158,425	30,694,513	168,234
Purchased loans	1,278,197,657	1,279,425,156	822,725,858
Loans and advances	459,090,681	198,257,147	-
Investment securities	395,852,284	14,006,355	-
Investment in subsidiaries	-	222,495,225	-
Investment in associates	13,766,623	-	-
Deferred tax assets	99,102,079	-	-
Other assets	119,813,605	11,869,047	9,784,308
Investment property	85,258,399	44,313,094	45,517,219
Property and equipment	108,457,249	609,193	23,450
Intangible assets	2,008,765	-	-
Total assets	3,340,393,264	1,876,719,682	878,219,136
LIABILITIES			
Customers deposits	1,129,333,244	-	-
Due to other banks	85,035,173	-	-
Borrowings	32,331,603	-	-
Current income tax	10,416,910	-	-
Other liabilities	431,804,627	56,525,889	19,223,890
Deferred tax liabilities	1,225,619	-	-
Retirement benefit obligation	62,186,196	62,232	4,820
Bonds	3,913,679,956	4,183,591,758	849,045,447
Total liabilities	5,686,013,628	4,240,179,879	868,274,157
Net (liabilities)/assets	(2,345,620,364)	(2,363,460,197)	9,944,979
Capital and reserves			
Share capital	10,000,000	10,000,000	10,000,000
Reserves	(2,438,218,756)	(2,373,460,197)	(55,021)
Attributable to:			
Parent shareholders	(2,428,218,756)	(2,363,460,197)	9,944,979
Non-controlling interest	82,598,392	-	-
Total equity	(2,345,620,364)	(2,363,460,197)	9,944,979

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011

	Group 12 months to 31 Dec 2011 N'000	Corporation 12 months to 31 Dec 2011 N'000	Corporation 2 months to 31 Dec 2010 N'000
Gross earnings	57,324,918	4,681,341	162
Interest and similar income	40,724,069	4,199,267	162
Interest and similar expense	(243,086,026)	(224,728,365)	-
Net interest (loss)/income	(202,361,957)	(220,529,098)	162
Fee and commission income	6,017,062	72,556	-
Foreign exchange income	3,638,679	-	-
Income from investments	727,982	317,854	-
Other operating income	6,217,126	91,664	-
Operating (loss)/income	(185,761,108)	(220,047,024)	162
Operating expenses	(71,874,479)	(7,120,256)	(55,183)
Asset impairment charges	(59,313,803)	(32,749,128)	-
Share of profit in associates	812,910	-	-
Loss before exceptional item and taxation	(316,136,480)	(259,916,408)	(55,021)
Exceptional item	(2,126,534,704)	(2,113,488,768)	-
Loss before taxation	(2,442,671,184)	(2,373,405,176)	(55,021)
Taxation	2,969,762	-	-
Loss after taxation	(2,439,701,422)	(2,373,405,176)	(55,021)
Attributable to:			
Parent shareholders	(2,439,814,412)	(2,373,405,176)	(55,021)
Non-controlling interest	112,990	-	-
	(2,439,701,422)	(2,373,405,176)	(55,021)
Loss per share - basic (Naira)	(244)	(237)	(0.01)

Mustafa Chike-Obi (Managing Director/CEO)

Mofoluke B. Dosunmu (Executive Director)

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF ASSET MANAGEMENT CORPORATION OF NIGERIA

Report on the financial statements

We have audited the accompanying separate and consolidated financial statements of Asset Management Corporation of Nigeria (the Corporation) and its subsidiaries (together "the Group") which comprise the balance sheets as of 31 December 2011 and the profit and loss accounts and statements of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with Nigerian Statements of Accounting Standards and with the requirements of the Asset Management Corporation of Nigeria Act and for such internal control, as the directors determine necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's responsibility

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

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

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

Opinion

In our opinion the accompanying financial statements give a true and fair view of the state of the financial affairs of the Corporation and the Group at 31 December 2011 and of their loss and cash flows for the year then ended in accordance with Nigerian Statements of Accounting Standards and requirements of the Asset Management Corporation of Nigeria Act.

Chartered Accountants
Lagos, Nigeria

2 November 2012

The information disclosed has been extracted from the full financial statements of the Corporation and cannot be expected to provide as full an understanding of the financial performance and financial position of the Corporation as the full financial statements. Copies of the full financial statements can be obtained from the Corporation's registered office.

Asset Management Corporation of Nigeria
Audited Group Results for the year ended 31 December 2011

The Asset Management Corporation of Nigeria ("AMCON" or the "Corporation") has announced its audited group financial results, for the full year ended 31 December 2011 ("FY2011"). FY2011 was the Corporation's first full operational year in which it undertook its mandate to stimulate the recovery of the Nigerian financial system.

Key FY2011 Highlights:

- AMCON played a pivotal role as a loss-absorbing resolution vehicle over the last year.
  - On 31 December 2010, the Corporation acquired N2.46 trillion Eligible Bank Assets ("EBAs") from 22 Deposit Money Banks ("DMB") for N866.2 billion
  - During FY2011, the Corporation acquired an additional N1.6 trillion of EBAs at a purchase price of N893 billion
  - AMCON capitalised the 3 banks bridged by the Nigerian Deposit Insurance Corporation with a total capital injection of N765 billion
  - AMCON provided Financial Accomodation for Deposit protection reasons in the sum of N1.5 trillion to 5 Intervened banks in M&A transactions with strategic investors
- Balance Sheet
  - Total assets of N1.88 trillion.
  - Total liabilities of N4.24 trillion.
  - AMCON's issued bonds represent 99% of AMCON's total liabilities.
- Income Statement
  - Gross earnings of N4.68 billion.
  - Operating loss of N220.05 billion.
  - The Corporation incurred N2.11 trillion as an exceptional charge as a result of mark-to-market losses on Financial Accomodation for Deposit protection reasons, made to 5 Intervened Banks, the capitalisation of the 3 Rescued Banks and other investments.
  - 88% of losses incurred in FY2011 involved the protection of depositor's funds and other liabilities such as Interbank borrowings, public sector funds, while 9.5% of the losses incurred are attributable to interest accruals on AMCON bonds.
  - The Corporation recorded a loss after tax of N2.37 trillion in FY2011

  AMCON's actions protected N4.7 trillion of deposits and interbank takings in the 8 intervened banks, belonging to 18 million Nigerian individual, corporate and government customers.
- AMCON also prevented a contagion in Nigeria's banking system, which would have placed N14.7 trillion of deposits and N4.2 trillion of interbank takings across all banks, at risk

Results Overview

Given AMCON's role in the economy, its assets are largely comprised of purchased loans and investments in listed and unlisted equities as well as other asset classes, including real estate.

- Furthermore, a significant portion of AMCON's total costs was incurred in fulfilling its statutory obligation of absorbing the losses in the Nigerian Banking sector and providing capital to Intervened and Rescued Banks.

  Between 31 December 2010 and 31 December 2011, AMCON purchased about 28,000 total EBAs worth N4.02 trillion at a price of N1.76 trillion across various sectors of the economy. The loans are carried at the AMCON price on the Corporation's books, however the obligor is still deemed to owe the full outstanding balance.

Brief History of AMCON

In July and August 2009, the fragile state of 10 of the 24 Deposit Money Banks ("DMBs") in the country required the Central Bank of Nigeria ("CBN") to intervene in the banking sector to stabilise the financial system. The intervention however, was only a short term solution. The quality of banking assets necessitated the creation of a loss absorbing vehicle to resolve the impending crisis in the banking system. AMCON was established by the AMCON Act, which was passed by the National Assembly in June 2010. AMCON is jointly owned by the Federal Ministry of Finance and the Central Bank of Nigeria. AMCON was modelled after other successful international Asset Management Companies, such as the KAMCO in Korea, and most closely to, Danaharta and Danamodal in Malaysia and NAMA in Ireland.

AMCON was tasked with providing liquidity to Eligible Financial Institutions ("EFIs") through the purchase of EBAs and the injection of capital to Intervened Banks. Both actions were expected to restore lost depositor's funds in Nigerian banks. AMCON's other responsibilities are to borrowers; to provide borrowers with the opportunity to restructure and/or refinance loans with more favourable and manageable terms. AMCON's Board was constituted in September 2010 and the Corporation commenced operations in November 2010.

AMCON Achievements to Date

Pursuant to its mandate and powers under the Act, AMCON completed the primary acquisition of N866.2 billion of Eligible Bank Assets ("EBAs") from the 21 financial institutions on 31 December 2010, achieving this key objective within less than two months of commencing operations. AMCON acquired a further N377 billion of EBAs in April 2011, from 22 EFIs as well as some N515 billion of systemically important loans in December 2011. EBAs were purchased at fair value prices, largely based on the underlying collateral value of the loans, which is in accordance with the AMCON Guidelines as approved by the CBN. This resulted in a 56% overall weighted average discount on the gross value of EBAs acquired. AMCON acquired the EBAs through the issuance of zero coupon bonds as consideration to the EFIs. As at 31 December 2011, the total EBA portfolio of AMCON contained about 28,000 loans belonging to various sectors of the economy, providing stability not only to the banking sector, but also the real sector of the economy

AMCON was further tasked with the role of recapitalising weak but viable banking institutions in order to protect depositor's funds at these banks. In exchange for equity, AMCON injected over N1.5 trillion into 5 banking institutions ("Intervened Banks") to provide deposit restoration in order to facilitate the acquisition and or merger of these banks with strategic partners. AMCON was also invited by the Nigerian Deposit Insurance Corporation ("NDIC") to provide deposit restoration to the 3 Rescued Banks to ensure that depositor's funds are protected.

Summary and outlook

AMCON is responsible for the cleanup of the banking sector, as evidenced by improved capital adequacy, liquidity and NPL ratios, all of which have allowed banks to concentrate on their main functions of financial intermediation. AMCON's key priorities for the near-to-medium term are, to focus on loan recovery and restructuring to obtain immediate cash, embark immediately on the sale of the AMCON 3 banks and employ an orderly and controlled disposal of certain assets in its portfolio under management, while continuously optimising reinvestment returns. These will ensure the delivery of the returns required to redeem AMCON bonds due in 2013 and 2014 and minimise the total cost of resolution.

ASSET MANAGEMENT CORPORATION OF NIGERIA

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

ASSET MANAGEMENT CORPORATION OF NIGERIA

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

CONTENTS **Page**

DIRECTORS' REPORT

In compliance with the Asset Management Corporation of Nigeria Act, the directors present this report which constitutes the directors' report for Asset Management Corporation of Nigeria ('the Corporation') for the year ended 31 December 2011.

Legal form

Principal activity and business review

The principal activity of the Corporation is to acquire eligible bank assets from eligible financial institutions and purchase or otherwise invest in eligible equities, on such terms as the Corporation deems fit.

Directors' interests

The following directors held office as at 31 December 2011:

Name	Position
Aliyu Kola Belgore (OFR)	Chairman
Mustafa Chike-Obi	Managing Director
Hewett A.O Benson	Executive Director
Abass M. Jega	Executive Director
Mofoluke B. Dosumu	Executive Director
Eniye Ambakaderemo	Non-Executive Director
Danladi I. Kifasi (OON)	Non-Executive Director
Kingsley Moghalu, Dr. (OON)	Non-Executive Director
Arunma Oteh (OON)	Non-Executive Director
Umar Ibrahim (MNI)	Non-Executive Director

None of the directors had any interest in the equity of the Corporation as at 31 December 2011.

Subscribers' analysis

The subscribers' pattern of the Corporation as at 31 December 2011 is stated as follows:

Share range	No. of subscribers	Percentage of subscribers	No of holdings
0 - 5,000,000,000	2	100	10,000,000,000

Results

The group made a loss of N2,440 billion (Corporation: N2,373 billion) for the year ended 31 December 2011. The loss arose largely from the impairment on the financial accomodation investment made in banks with eroded capital. The Corporation's result for the year is set out on page 10.

The Corporation expects to fund losses arising from the sale of investments from recoveries from eligible bank assets, proceeds from the sale of collateral foreclosed and returns from the Corporation's investments. In the event that a shortfall still exists, the Corporation will draw on the sinking fund contributed by deposit money banks in Nigeria and the Central Bank of Nigeria.

Employment of disabled persons

The Corporation's recruitment policy is based solely on merit and does not discriminate against any person on the grounds of physical disability.

DIRECTORS' REPORT

Donations

The Corporation donated a total sum of N3.8million to the following organisations during the year:

	N'000
1. Nungstco Charity	500
2. Lagos Preparatory School	2,500
3. Amateur International Boxing Show	300
4. Ilupesi Town Hall and Health Center Project	500
	3,800

Auditor

Messrs PricewaterhouseCoopers have indicated their willingness to continue in office as auditors.

By order of the board

Saidu Jallo

Company Secretary
October 2012

pwc

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF ASSET MANAGEMENT CORPORATION OF NIGERIA

Report on the financial statements

We have audited the accompanying separate and consolidated financial statements of the Asset Management Corporation of Nigeria (the Corporation) and its subsidiaries (together "the Group") which comprise the balance sheets as of 31 December 2011 and the profit and loss accounts and statements of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with Nigerian Statements of Accounting Standards and with the requirements of the Asset Management Corporation of Nigeria Act and for such internal control, as the directors determine necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's responsibility

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

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

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

Opinion

In our opinion the accompanying financial statements give a true and fair view of the state of the financial affairs of the Corporation and the Group at 31 December 2011 and of their loss and cash flows for the year then ended in accordance with Nigerian Statements of Accounting Standards and requirements of the Asset Management Corporation of Nigeria Act.

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA

PricewaterhouseCoopers

Chartered Accountants
Lagos, Nigeria

2 November 2012

PricewaterhouseCoopers Chartered Accountants, 252E Muri Okunola Street, Victoria Island, Lagos, Nigeria

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2011

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

1 Basis of preparation

These financial statements are the stand alone and consolidated financial statements of the Asset Management Corporation of Nigeria ("the Corporation"), and its subsidiaries (together "the Group"). The financial statements are prepared under the historical cost convention modified by the revaluation of certain investment securities, property and equipment and comply with the Statements of Accounting Standards (SAS) issued by the Financial Reporting Council of Nigeria.

The preparation of the financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting year. Although these estimates are based on the directors' best knowledge of current events and actions, actual results ultimately may differ from those estimates.

2 Basis of consolidation

i. Subsidiaries

Subsidiary undertakings, which are those companies in which the Corporation, directly or indirectly, has an interest of more than half of the voting rights or otherwise and has power to exercise control over their operations, have been consolidated. Where necessary, accounting policies for subsidiaries have been amended to ensure consistency with the policies adopted by the Corporation. Separate disclosure is made for non-controlling interest.

The acquisition method is used to account for business combinations. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at acquisition date, irrespective of the extent of any non controlling interest. The excess of the cost of acquisition over the value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the value of the net assets of the subsidiary acquired, the difference is immediately recognised directly in the profit and loss account.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

ii. Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement; its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

3 Segment reporting

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

Segment information is presented in respect of the Group's business and geographical segments. The Group's primary format for segment reporting is based on business segments.
The business segments are determined by management based on the Corporation's internal reporting structure. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

4 Foreign currency translation

i. Reporting currency

The consolidated financial statements are presented in Nigerian Naira, which is the Group's reporting currency.

ii. Transactions and balances

Transactions denominated in foreign currency are converted into Naira at the rate of exchange ruling at the date of the transaction. Foreign currency balances are translated at the rate of exchange prevailing at the balance sheet date or, where appropriate, at the related forward exchange rate. Exchange differences are included in the profit and loss account in the period in which they arise.

iii. Group companies

The results and financial position of all Group entities that have a currency different from the reporting currency are translated into the reporting currency as follows:

Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet. Income and expenses for each profit and loss are translated at the closing exchange rate. All resulting exchange differences are recognised as exchange difference reserve on the balance sheet.
On consolidation, exchange differences arising from the translation of the investment in foreign entities are taken to shareholders' funds. When a foreign operation is sold, such exchange differences are recognised in the profit and loss account as part of the gain or loss on sale.

5 Income recognition

i. Interest income

Interest income is recognized in the profit and loss account for all interest bearing instruments on an accrual basis on a time proportionate basis. Interest overdue by more than 90 days is suspended and recognised only to the extent of cash received.

ii. Fees, commission and other income

Fees, commissions and other income are generally recognised on an accrual basis when the related service has been provided and recognised as commissions in the period in which they occur. Commissions and fees charged to customers for services rendered are recognised at the time the service or transaction is effected, except for commissions earned on letters of credit, bonds and guarantees, which are amortised over the life of the letters of credit.

iii. Dividend

Dividends are recognised in the income statement when the entity's right to receive payment is established.

6 Purchased loans

Purchased loans are eligible bank assets acquired under the operational guidelines of the Asset Management Corporation of Nigeria and in accordance with the Asset Management Corporation Act (AMCON Act) whose terms and conditions are yet to be renegotiated with the primary customers.

Purchased loans are carried at purchase price less any provision for impairment. Purchased loans are tested for impairment periodically. Impairment is determined by reference to the value of the underlying security.

7 Loans and advances

Purchased loans acquired by the Corporation are renegotiated after acquisition. Gain or loss on renegotiation is determined as the difference between the purchase price and the settlement amount. Gain on renegotiation of purchased loans is deferred and recognised only when the related loans have been fully repaid. Loss on renegotiation is charged immediately to the profit and loss account.

Loans and advances are stated after the deduction of provision against debts considered doubtful of recovery. Provision is made in accordance with the Prudential Guidelines for Licensed Banks issued by the Central Bank of Nigeria for each account that is not performing in accordance with the terms of the related facility as follows:

Interest and/or Principal outstanding for:	Classification:	Provision
Over 90 days but less than 180 days	Substandard	10%
Over 180 days but less than 360 days	Doubtful	50%
360 days and over	Lost	100%

When a loan is deemed not collectible, it is written off against the related provision for impairments and subsequent recoveries are credited to the profit and loss account.
In addition, a provision of 1% minimum is made for all performing accounts to recognise losses in respect of risks inherent in any credit portfolio (currently not mandatory).

Loans in respect of which a previous provision was not made are written off directly to the profit and loss account when they are deemed to be not collectible.

8 Investment securities

The Group reports its investments in the following categories: short-term investments and long-term investments:

i. Short-term investments

Short-term investments are investments that management intends to hold for not more than one year. Debt and equity securities held for trading are classified as short term investments. Securities held for trading are those acquired principally for selling in the short term or held for short-term profit taking.

All short-term investments are stated at the lower of cost and market value. The amount by which cost exceeds market value is charged to the profit and loss account during the year.

ii. Long-term investments

Long-term investments are investments other than short term investments. Long-term investments may include debt and equity securities.

Long-term investments are stated at the lower of cost and net realizable value. When there has been a permanent decline in value of a long term investment, the carrying amount of the investment is written down to recognise the loss. Such a reduction is charged to the profit and loss account. Reductions in carrying amount are reversed when there is an increase, other than temporary, in the value of the investment, or if the reasons for the reduction no longer exist.

An increase in carrying amount arising from the revaluation of long-term investments is credited to equity as revaluation surplus. To the extent that a decrease in carrying amount offsets a previous increase for the same investment, that has been credited to revaluation surplus and not subsequently reversed or utilised, it is charged against that revaluation surplus rather than income.

iii. Investments in subsidiaries

Investments in subsidiaries are carried on the parent company's stand alone balance sheet at cost less provision for impairment losses. Where, in the opinion of the Directors, there has been impairment in the value of an investment, the loss is recognised as an expense in the period in which the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit and loss account.

iv. Investments in associates

Investments in associates are carried on the Corporation's balance sheet at cost less provision for impairment losses. Where in the opinion of the Directors, there has been impairment in the value of the investment, the loss is recognised as an expense in the period in which the impairment is identified.

9 Investment property

Investment property principally comprise leasehold land and building which are held for long term rental yields or to be developed to attain long term yields.

Investment properties are carried on the balance sheet at their market value and revalued periodically on a systematic basis at least once in every three years. Investment properties are not subject to periodic charge for depreciation.

When there has been a decline in value of an investment property, the carrying amount of the property is written down to recognize the loss. Such a reduction is charged to the profit and loss account. Reductions in carrying amount are reversed when there is an increase, following a revaluation in accordance with the Group's policy, in the value of the investment property, or if the reasons for the reduction no longer exist.

An increase in carrying amount arising from the revaluation of investment property is credited to owners' equity as revaluation surplus. To the extent that a decrease in carrying amount offsets a previous increase, for the same property that has been credited to revaluation surplus and not subsequently reversed or utilized, it is charged against that revaluation surplus rather than the profit and loss account. An increase on revaluation which is directly related to a previous decrease in carrying amount for the same property that was charged to the profit and loss account, is credited to profit and loss account to the extent that it offsets the previously recorded decrease.
Investment properties are disclosed separate from the property and equipment used for the purposes of the business.

10 Property, plant and equipment

All categories of property and equipment are stated at historical cost less depreciation. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item flow to the Corporation and the cost of the item can be measured reliably. Other repairs and maintenance are charged to the profit and loss account during the financial period in which they are incurred.

Construction cost in respect of offices is carried at cost as work in progress. On completion of construction, the related amounts are transferred to the appropriate category of property and equipment. No depreciation is charged until the assets are put into use.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in the profit and loss account for the year.

Depreciation is calculated on a straight line basis to write-off property, plant and equipment over their estimated useful lives. The basis of calculation for each class of asset are set out below:

Leasehold land and buildings	50 years or over the term of the lease whichever is shorter
Motor vehicles	4 years
Furniture, fittings and equipment	5 years
Computer hardware	3 years

11 Intangible assets

a Goodwill

Goodwill represents the excess of the purchase consideration over the fair value of the Group's share of the separable net assets of subsidiaries acquired, at the date of the acquisition. Goodwill on acquistion of subsidiaries is included in intangible assets. Goodwill is measured at "cost" less "accumulated impairment losses". Goodwill is tested for impairment annually or more frequently if events or circumstances indicate that it might have been impaired. Impairment losses are recognised in the profit and loss account in the year in which they arise.

b Computer software

The group recognises computer software acquired as intangible asset.
Software acquired by the Group is stated at cost less accumulated amortisation and accumulated impairment losses.

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

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

Amortisation is recognised in profit or loss on a straight-line basis over four years, from the date that it is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

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

Software is derecognised on disposal or when no future economic benefits are expected from its use or disposal.

12 Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits in banks denominated in Naira and foreign currencies and short-term tenured treasury bills. Cash equivalents are short term, highly liquid instruments which are:
i. readily convertible into cash, whether in local or foreign currency; and
ii.so near to their maturity dates as to present insignificant risk of changes in value as a result of changes in interest rates.

13 Provisions

Provisions are liabilities that are uncertain in timing or amount. Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

14 Redeemable guaranteed zero-coupon bearer bonds

The carrying value of the redeemable guaranteed zero-coupon bearer bonds issued by the Corporation is the nominal value of the bonds less the unamortized discount. The discount on the bonds is charged to the profit and loss account on a straight-line basis over the duration of the bond.

15 Retirement benefits

The Group has both defined contribution and defined benefit plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group 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 Group makes contributions on behalf of qualifying employees to a mandatory scheme. The Group has no further payment obligations once the contributions have been paid.

The Group's liabilities in respect of the defined pension contribution scheme are charged against the profit and loss account of the year. Remittances are made to the Pension Fund Administrators chosen by the staff.

The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. Payments are made to PFA companies who are appointed by respective staff of the Group.

The Group operates a fully funded defined benefit (gratuity) scheme where qualifying employees receive a lump sum payment based on the number of years served after an initial qualifying period of 5 years and gross salary on date of retirement. An independent actuarial valuation is carried out on the fund annually using the projected unit credit basis of valuation.

Gains on actuarial valuation are taken as deductions from current or future retirement cost while actuarial losses are treated as additional contributions and charged to the profit and loss account.

16 Taxation

i. Income tax

Income tax payable on profits, based on the applicable tax law in each jurisdiction, is recognised as an expense in the period in which the related profits arise. The tax effects of income tax losses available for carry forward are recognised as an asset when it is probable that taxable profits will be available against which these losses can be utilised.

ii. Deferred taxation

Deferred income tax is provided using the liability method for all timing differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax.

The principal timing differences arise from depreciation of property, plant and equipment, provisions for pensions and other post-retirement benefits, provisions for loan losses and tax losses carried forward. The rates enacted or substantively enacted at the balance sheet date are used to determine deferred income tax. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.
Deferred tax assets are recognised where it is probable that future taxable profit will be available against which the timing differences can be utilised.

17 Borrowed funds

Borrowed funds are recognised initially at their issue proceeds and subsequently stated at cost less any repayments. Transaction costs where immaterial, are recognized immediately in the profit and loss account. Where transaction costs are material, they are capitalized and amortised over the life of the loan, Interest paid on borrowings is recognised in the profit and loss account for the year.

18 Contingent assets and liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or the Group has a present obligation as a result of past events but is not recognised because it is not likely that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent assets are never recognised, rather they are disclosed in the financial statements when they arise.

Transactions to which there are no direct balance sheet risks to the Group are reported and accounted for as off-balance sheet transactions.

19 Earnings per share

The Group presents basic earnings per share for its ordinary shares. Basic earnings per share are calculated by dividing the profit attributable to ordinary shareholders of the Corporation by the weighted average number of shares outstanding during the period.

ASSET MANAGEMENT CORPORATION OF NIGERIA

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	Group 12 months to 31 Dec 2011 N'000	Corporation 12 months to 31 Dec 2011 N'000	Corporation 2 months to 31 Dec 2010 N'000
Gross earnings		57,324,918	4,681,341	162
Interest and similar income	3	40,724,069	4,199,267	162
Interest and similar expense	4	(243,086,026)	(224,728,365)	-
Net interest (loss)/income		(202,361,957)	(220,529,098)	162
Fee and commission income	5	6,017,062	72,556	-
Foreign exchange income	6	3,638,679	-	-
Income from investments	7	727,982	317,854	-
Other operating income	8	6,217,126	91,664	-
Operating (loss)/income		(185,761,108)	(220,047,024)	162
Operating expenses	9	(71,874,479)	(7,120,256)	(55,183)
Asset impairment charges	10	(59,313,803)	(32,749,128)	-
Share of profit in associates	22	812,910	-	-
Loss before exceptional item and taxation		(316,136,480)	(259,916,408)	(55,021)
Exceptional item	11	(2,126,534,704)	(2,113,488,768)	-
Loss before taxation		(2,442,671,184)	(2,373,405,176)	(55,021)
Taxation	12	2,969,762	-	-
Loss after taxation		(2,439,701,422)	(2,373,405,176)	(55,021)
Attributable to:				
Parent shareholders		(2,439,814,412)	(2,373,405,176)	(55,021)
Non-controlling interest	35	112,990	-	-
		(2,439,701,422)	(2,373,405,176)	(55,021)
Loss per share - basic (Naira)	39	(244)	(237)	(0.01)

The accounting policies on pages 4 to 9 and the accompanying notes from pages 13 to 36 form an integral part of these financial statements.

ASSET MANAGEMENT CORPORATION OF NIGERIA

BALANCE SHEET
AS AT 31 DECEMBER 2011

	Note	Group 31 Dec 2011 N'000	Corporation 31 Dec 2011 N'000	Corporation 31 Dec 2010 N'000
ASSETS				
Cash and balances with Central Bank of Nigeria	13	**132,582,072**	**34**	67
Treasury bills	14	**300,105,345**	**45,049,923**	-
Due from other banks	15	**346,158,425**	**30,694,513**	168,234
Purchased loans	16	**1,278,197,657**	**1,279,425,156**	822,725,858
Loans and advances	17	**459,090,681**	**198,257,147**	-
Investment securities	19	**395,852,284**	**44,006,353**	-
Investment in subsidiaries	20	**-**	**222,495,225**	-
Investment in associates	22	**13,766,623**	**-**	-
Deferred tax assets	12	**99,102,079**	**-**	-
Other assets	23	**119,813,685**	**11,869,047**	9,784,308
Investment property	24	**85,258,399**	**44,313,094**	45,517,219
Property and equipment	25	**108,457,249**	**609,190**	23,450
Intangible assets	26	**2,008,765**	**-**	-
Total assets		**3,340,393,264**	**1,876,719,682**	878,219,136
LIABILITIES				
Customers deposits	27	**1,129,333,244**	**-**	-
Due to other banks	28	**85,035,173**	**-**	-
Borrowings	29	**32,331,603**	**-**	-
Current income tax	12	**10,416,910**	**-**	-
Other liabilities	30	**451,804,627**	**56,525,889**	19,223,890
Deferred tax liabilities	12	**1,225,619**	**-**	-
Retirement benefit obligation	31	**62,186,496**	**62,232**	4,820
Bonds	32	**3,913,679,956**	**4,183,591,758**	849,045,447
Total liabilities		**5,686,013,628**	**4,240,179,879**	868,274,157
Net (liabilities)/assets		**(2,345,620,364)**	**(2,363,460,197)**	9,944,979
Capital and reserves				
Share capital	33	**10,000,000**	**10,000,000**	10,000,000
Reserves	34	**(2,438,218,756)**	**(2,373,460,197)**	(55,021)
Attributable to equity holders of the parent		**(2,428,218,756)**	**(2,363,460,197)**	9,944,979
Non-controlling interest	35	**82,598,392**	**-**	-
Total equity		**(2,345,620,364)**	**(2,363,460,197)**	9,944,979

The accounting policies on pages 4 to 9 and financial statements and notes on pages 13 to 36 were approved by the Board of Directors on 8 October 2012 and signed on its behalf by:

Mustafa Chike-Obi
Managing Director/CEO

Mofoluke B. Dosumu
Executive Director

ASSET MANAGEMENT CORPORATION OF NIGERIA

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	Group 12 months to 31 Dec 2011 N'000	Corporation 12 months to 31 Dec 2011 N'000	Corporation 2 months to 31 Dec 2010 N'000
Operating activities				
Cash generated from/(utilised in) operations	38	432,478,310	52,589,640	(57,820)
Income tax paid	12b	(481,794)	-	-
Value Added Tax paid		(584,785)	(245,738)	-
		431,411,731	52,343,902	(57,820)
Investing activities				
Purchase of fixed assets	25	(2,396,479)	(683,963)	(23,879)
Dividend received	7	61,772	38,170	-
Proceed from sale of investment properties		1,924,454	1,250,000	-
Proceed from disposal of fixed asset		141,510	-	-
Net cash & cash equivalent acquired from subsidiaries		266,607,541	-	-
Proceeds from sale of investments		140,261,971	-	-
Purchase of investment property	24	(3,872,495)	-	-
Net cash from investing activities		402,728,274	604,207	(23,879)
Financing activities				
Net proceeds from issue of ordinary shares		9,750,000	9,750,000	250,000
Repayment of borrowings		(239,903,872)	-	-
Proceeds from cash bond issuance	32	12,878,060	12,878,060	-
Net cash (utilised in)/from financing activities		(217,275,812)	22,628,060	250,000
Increase in cash and cash equivalents		616,864,193	75,576,169	168,301
Analysis of changes in cash and cash equivalents				
Balance at beginning of the period	40	168,301	168,301	-
Balance at end of the period	40	617,032,494	75,744,470	168,301
Increase in cash and cash equivalents		616,864,193	75,576,169	168,301

The accounting policies on pages 4 to 9 and the accompanying notes from pages 13 to 36 form an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

1 General Information

The Corporation was established by the Asset Management Corporation of Nigeria Act. The issued capital of the Corporation is owned by the Federal Government and held in trust by the Central Bank of Nigeria and the Ministry of Finance Incorporated in equal proportion of fifty percent each. Its registered head office is at Murjanatu House, 1 Zambezi Crescent, Maitama, Abuja.

The Corporation commenced business in November 2010. The principal activity of the Corporation is to acquire eligible bank assets from eligible financial institutions; purchase or otherwise invest in eligible equities, on such terms and conditions as the corporation may deem fit; hold, manage, realise, and dispose of eligible bank assets (including the collection of interest, principal and capital due and the taking over of collateral securing such assets) in accordance with the provisions of the Act; pay coupons on, and redeem at maturity, bonds and debt securities issued by the Corporation as consideration for the acquisition of eligible bank assets in accordance with the provision of the Act.

The Corporation also performs such other functions directly related to the management or the realisation of eligible bank assets that the corporation has acquired, including managing and disposing assets acquired with the proceeds derived by the Corporation; taking all steps necessary or expedient to protect, enhance or realise the value of the eligible bank assets that the Corporation has acquired, including the disposal of eligible bank assets or portfolios of eligible bank assets in the market at the best achievable price, the securitization or refinancing of portfolios of eligible bank assets, and holding, realising and disposing of collateral securing eligible bank assets; and perform such other activities and carry out such other functions which in the opinion of the Board are necessary, incidental or conducive to the attainment of the objects of the Corporation.

The Corporation acquired the following entities during the year.

Union Bank Plc
Mainstreet Bank Limited
Keystone Bank Limited
Enterprise Bank Limited
ASCOT Offshore Nigeria Limited

The results of these entities and their subsidiaries have been consolidated into the Corporation's financial statements as at 31 December 2011. Full details of the entities acquired are included in note 20.

2 Segment Analysis

a By business segment

The group is divided into three main business segments, namely:

Asset management
This entails the acquisition of eligible bank assets from eligible financial institutions; purchase or otherwise invest in eligible equities, on such terms and conditions as the corporation may deem fit; holding, managing, realising, and disposal of eligible bank assets (including the collection of interest, principal and capital due and the taking over of collateral securing such assets) in accordance with the provision of the Asset Management Corporation of Nigeria Act.

Banking
This incorporates all banking activities relating to individuals (personal banking), private customer current accounts, deposits , investment saving products, custody, credit and debit cards, consumer loans and mortgages. Also includes activities rendered to corporate institutions such as financial instrument trading, structured financing, corporate leasing and merger and acquisition advice.

Others
This incorporates other services rendered by ASCOT Offshore Nigeria and includes the Group's investments in provision of construction and engineering services to the oil & gas and power industries in Nigeria

	Asset Management N'000	Banking N'000	Others N'000	Total N'000
At 31 December 2011				
External revenues	4,681,341	52,643,577	-	**57,324,918**
Operating (loss)/income	(221,274,523)	35,513,415	-	**(185,761,108)**
Loss before tax and exceptional item	(259,916,408)	(57,032,982)	-	**(316,949,390)**
Income from associates	-	812,910	-	**812,910**
Exceptional items	(2,126,534,704)	-	-	**(2,126,534,704)**
Loss before tax	(2,386,451,112)	(56,220,072)	-	**(2,442,671,184)**
Tax	-	2,969,762	-	**2,969,762**
Loss after tax	(2,386,451,112)	(53,250,310)	-	**(2,439,701,422)**

	Asset Management N'000	Banking N'000	Others N'000	Total N'000
Other segment items				
Depreciation	98,223	3,518,579	-	3,616,802
Amortisation	-	275,107	-	275,107

	Asset Management N'000	Banking N'000	Others N'000	Total N'000
Assets and liabilities				
Segment assets	1,871,402,070	1,455,207,732	13,783,462	3,340,393,264
Segment liabilities	3,970,268,076	1,662,258,201	53,487,351	5,686,013,628
Net segment liabilities	(2,098,866,006)	(207,050,469)	(39,703,889)	(2,345,620,364)
At 31 December 2010				
External revenues	162	-	-	162
Operating income/(loss)	162	-	-	162
Loss before tax and exceptional item	(55,021)	-	-	(55,021)
Tax	-	-	-	-
Loss after tax	(55,021)	-	-	(55,021)
Other segment items				
Depreciation	429	-	-	429
Assets and liabilities				
Segment assets	878,219,136	-	-	878,219,136
Segment liabilities	868,274,157	-	-	868,274,157
Net segment assets	9,944,979	-	-	9,944,979

b **By geographical segment**

The Group's business is organised along two main geographical areas namely Nigeria and others.

Transactions between the business segments are on normal commercial terms and conditions.

At 31 December 2011

	Nigeria N'000	Others N'000	Total N'000
External revenues	54,426,690	2,898,228	57,324,918
Operating (loss)/income	(222,236,461)	2,189,437	(220,047,024)
Profit before tax and exceptional item	(317,789,521)	840,131	(316,949,390)
Income from associates	812,910	-	812,910
Exceptional items	(2,126,534,704)	-	(2,126,534,704)
(Loss)/profit before tax	(2,443,511,315)	840,131	(2,442,671,184)
Tax	3,098,238	(128,476)	2,969,762
(Loss)/profit after tax	(2,440,413,077)	711,655	(2,439,701,422)

	Nigeria N'000	Others N'000	Total N'000
Other segment items			
Depreciation	3,459,679	157,123	3,616,802
Amortisation	262,534	12,573	275,107
Assets and liabilities			
Segment assets	3,294,813,756	45,579,508	3,340,393,264
Segment liabilities	5,654,791,527	31,222,101	5,686,013,628
Net segment (liabilities)/assets	(2,359,977,771)	14,357,407	(2,345,620,364)

At 31 December 2010

	Nigeria N'000	Others N'000	Total N'000
External revenues	162	-	162
Operating income/(loss)	162	-	162
Loss before tax and exceptional item	(55,021)	-	(55,021)
Tax	-	-	-
Loss after tax	(55,021)	-	(55,021)
Other segment items			
Depreciation	429	-	429
Assets and liabilities			
Segment assets	878,219,136	-	878,219,136
Segment liabilities	868,274,157	-	868,274,157
Net segment assets	9,944,979	-	9,944,979

ASSET MANAGEMENT CORPORATION OF NIGERIA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

	Group 12 months to 31 Dec 2011 N'000	Corporation 12 months to 31 Dec 2011 N'000	Corporation 2 months to 31 Dec 2010 N'000
3 Interest and similar income			
Source:			
Placements with banks	3,254,666	501,989	162
Treasury bills	28,245,429	1,242,971	-
Loans and advances	9,223,974	2,454,307	-
	40,724,069	4,199,267	162
Geographical location:			
Earned in Nigeria	38,623,677	4,199,267	162
Earned outside Nigeria	2,100,392	-	-
	40,724,069	4,199,267	162
4 Interest and similar expense			
Source:			
Customer deposits	10,284,024	-	-
Inter-bank takings	7,350,875	-	-
Borrowed funds	722,762	-	-
Bond discount expense (note 32)	224,728,365	224,728,365	-
	243,086,026	224,728,365	-
Geographical location:			
Earned in Nigeria	242,272,403	224,728,365	-
Earned outside Nigeria	813,623	-	-
	243,086,026	224,728,365	-
5 Fee and commission income			
Credit related fee	1,356,415	72,556	-
Commission on turnover	2,402,137	-	-
Other fees and commissions	2,258,510	-	-
	6,017,062	72,556	-
6 Foreign exchange income			
Foreign currency trading	3,335,140	-	-
Foreign exchange gain	303,539	-	-
	3,638,679	-	-

ASSET MANAGEMENT CORPORATION OF NIGERIA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

	Group 12 months to 31 Dec 2011 N'000	Corporation 12 months to 31 Dec 2011 N'000	Corporation 2 months to 31 Dec 2010 N'000
7 Income from investments			
Dividend income	61,772	38,170	-
Rental income	294,715	150,413	-
Profit on sale of investment property	371,495	129,271	-
	727,982	317,854	-
8 Other operating income			
Profit on sale of fixed asset	3,477	-	-
Banking related service charge	663,281	-	-
Other income	5,550,368	91,664	-
	6,217,126	91,664	-
9 Operating expenses			
Staff cost (note 37)	17,076,876	1,232,873	4,028
Directors' emoluments (note 37)	231,693	231,693	34,683
Depreciation (note 25)	3,616,802	98,223	429
Auditor's remuneration	397,838	15,000	2,800
Amortisation of intangible assets (note 26)	275,107	-	-
Repairs and maintenance	4,993,371	276,104	1,739
Professional fees	1,844,865	1,717,228	-
Other expenses	43,437,927	3,549,135	11,504
	71,874,479	7,120,256	55,183
10 Asset impairment charges			
Diminution in value of long term investment securities (note 19a)	15,561,385	14,161,113	-
Diminution in value of short term investment securities (note 19b)	2,216,599	-	-
Loss on sale of securities	13,128,910	-	-
Loss on restructured loans	14,024,293	14,024,293	-
Loans and advances - specific (note 18a)	3,042,955	2,645,898	-
Loans and advances general (note 18b)	4,420,382	1,917,824	-
Provision for investment properties (note 24)	1,509,990	-	-
Provision for other assets (note 23)	5,409,289	-	-
	59,313,803	32,749,128	-

Loss on restructured loans represents amounts written off as part of negotiation with customers after acquisition of the loans from eligible financial institutions.

	Group 12 months to 31 Dec 2011 N'000	Corporation 12 months to 31 Dec 2011 N'000	Corporation 2 months to 31 Dec 2010 N'000
11 Exceptional item			
Provision for investment in subsidiaries (note 20)	-	1,039,603,226	-
Loss on sale of investment (see note 11a below)	1,073,885,542	1,073,885,542	-
Goodwill impairment charge (note 26)	1,052,649,162	-	-
	2,126,534,704	2,113,488,768	-

a During the year, the Corporation entered into a number of financial accommodation and sales agreement to recapitalize distressed banks preparatory to their susbsequent disposal. This represents loss on the financial accommodation made to those banks which were subsequently sold to core investors. The affected banks are:

Intercontinental Bank (acquired by Access Bank Plc)	562,221,377	562,221,377	-
Oceanic Bank (acquired by Ecobank Nigeria Plc)	294,031,852	294,031,852	-
Finbank Plc (acquired by First City Monument Bank Plc)	154,699,520	154,699,520	-
Equitorial Trust Bank (acquired by Sterling Bank Plc)	62,932,793	62,932,793	-
	1,073,885,542	1,073,885,542	-

	Group 31 Dec 2011 N'000
12 Taxation	
a *Charge*	
Current tax	371,974
Deferred tax asset credit (note i)	(3,412,790)
Deferred tax liability charge (note ii)	71,054
Credit for the year	(2,969,762)
b *Payable*	
Balance, beginning of year	-
Acquired during the year	10,526,730
Tax paid during the year	(481,794)
Income tax charge	371,974
Balance, end of year	10,416,910
c *Deferred taxation*	
Deferred tax assets (note i)	99,102,079
Deferred tax liabilities (note ii)	(1,225,619)
	97,876,460
i *Deferred tax asset*	
Acquired during the year	95,689,289
Credit to profit and loss account	3,412,790
	99,102,079

	Group 31 Dec 2011 N'000
ii *Deferred tax liabilities*	
Acquired during the year	(1,154,565)
Charge for the year	(71,054)
	(1,225,619)

The Asset Management Corporation of Nigeria Act Section 60(b) exempts the Corporation from payment of Companies Income Tax. Deferred and income tax disclosed relate to the Corporation's subsidiaries.

	Group 31 Dec 2011 N'000	Corporation 31 Dec 2011 N'000	Corporation 31 Dec 2010 N'000
13 Cash and balances with Central Bank of Nigeria			
Cash	28,813,657	34	67
Operating account with Central Bank of Nigeria	26,990,240	-	-
	55,803,897	34	67
Mandatory reserve deposit with Central Bank of Nigeria	76,778,175	-	-
	132,582,072	34	67

Mandatory reserve deposit represents restricted cash held with the Central Bank of Nigeria by the banking subsidiaries of the Group. These deposits are not available for the group's day to day operations.

	Group 31 Dec 2011 N'000	Corporation 31 Dec 2011 N'000	Corporation 31 Dec 2010 N'000
14 Treasury bills			
Treasury bills	300,105,345	45,049,923	-

Included in treasury bills for the group are bills amounting to N57.3 billion pledged to third parties as collateral.

	Group 31 Dec 2011 N'000	Corporation 31 Dec 2011 N'000	Corporation 31 Dec 2010 N'000
15 Due from other banks			
Balances with banks within Nigeria	16,272,260	6,976,020	9,884
Balances with banks outside Nigeria	75,261,759	-	-
Placements with banks and discount houses	253,090,583	23,718,493	158,350
Items in the course of collection	1,533,823	-	-
	346,158,425	30,694,513	168,234

	Group 31 Dec 2011 N'000	Corporation 31 Dec 2011 N'000	Corporation 31 Dec 2010 N'000
16 Purchased loans			
At start of the year	822,725,858	822,725,858	-
Acquired during the year	679,129,248	680,356,747	822,725,858
Restructured during the year	(223,657,449)	(223,657,449)	-
	1,278,197,657	1,279,425,156	822,725,858

This represents loans acquired by the corporation from eligible financial institutions. As at 31 December 2011, the gross value of purchased loans was N3,140 billion (2010: N2,266 billion).

	Group 31 Dec 2011 N'000	Corporation 31 Dec 2011 N'000	Corporation 31 Dec 2010 N'000
17 Loans and advances			
Term loans	337,010,433	205,732,850	-
Overdrafts	133,262,874	-	-
Advances under finance lease	4,284,425	-	-
	474,557,732	205,732,850	-
Loan loss provision (note 18)	(15,467,051)	(7,475,703)	-
	459,090,681	198,257,147	-
Analysis by security			
Secured against real estate	144,710,517	40,691,691	-
Secured by shares of quoted companies	21,334,868	3,704,730	-
Otherwise secured	284,630,543	160,458,691	-
Unsecured	23,881,804	877,738	-
	474,557,732	205,732,850	-
Analysis by performance			
Performing	442,038,186	191,782,386	-
Non-performing:			
- substandard	27,804,204	11,460,630	-
- doubtful	2,703,343	1,627,343	-
- lost	2,011,999	862,491	-
	474,557,732	205,732,850	-
Analysis by maturity			
0 - 30 days	69,185,551	970,029	-
1 - 3 months	72,082,928	4,124,668	-
3 - 6 months	30,402,414	6,626,274	-
6 - 12 months	32,752,421	214,260	-
over 12 months	270,134,418	193,797,619	-
	474,557,732	205,732,850	-

		Group 31 Dec 2011 N'000	Corporation 31 Dec 2011 N'000	Corporation 31 Dec 2010 N'000
18	**Loan loss provision**			
a	*Specific provision on non-performing loans*			
	Balance, beginning of year	-	-	-
	Allowances made during the year	3,042,955	2,645,898	-
	Balance, end of year	3,042,955	2,645,898	-
b	*General provision on performing loans*			
	Balance, beginning of year	-	-	-
	Allowances made during the year	4,420,382	1,917,824	-
	Balance, end of year	4,420,382	1,917,824	-
d	*Interest in suspense*			
	Balance, beginning of year	-	-	-
	Interest suspended during the year	8,003,714	2,911,981	-
	Balance, end of year	8,003,714	2,911,981	-
c	Total loan loss provision	15,467,051	7,475,703	-

		Group 31 Dec 2011 N'000	Corporation 31 Dec 2011 N'000	Corporation 31 Dec 2010 N'000
19	**Investment securities**			
a	***Long term investments***			
	Debt securities - listed			
	i. Federal Government of Nigeria Bonds	210,116,549	-	-
	ii. State Government Bonds	17,768,512	-	-
	iii.Proprietary investments	1,123,000	-	-
	iv. Other corporate bonds	8,449,000	-	-
	Debt securities - Unlisted			
	i. Federal Government of Nigeria Bonds	22,523,000	-	-
	ii. Lagos State Government Bonds	1,704,000	-	-
	iii.Other corporate bonds	346,145	-	-
	iv.Other investments	6,361,000	-	-
	Equity securities - Listed	71,034,804	48,959,839	-
	Equity securities - Unlisted			
	i. Small and medium scale industries investments	2,542,701	-	-
	ii. Other unlisted equities	32,904,250	9,207,627	-
		374,872,961	58,167,466	-
	Diminution in value of long term investments	(15,561,385)	(14,161,113)	-
		359,311,576	44,006,353	-

		Group 31 Dec 2011 N'000	Corporation 31 Dec 2011 N'000	Corporation 31 Dec 2010 N'000
b	***Short term investments***			
	Debt securities - listed			
	i. Federal Government of Nigeria Bonds	22,442,002	-	-
	Equity securities - Listed	7,508,388	-	-
	Equity securities - Unlisted	8,806,917	-	-
		38,757,307	-	-
	Diminution in value of short term investments	(2,216,599)	-	-
		36,540,708	-	
	Total investment securities	395,852,284	44,006,353	-

The market value of FGN bonds that the Group intends to hold to maturity was N164 billion (2010: Nil).

		% holding	Corporation 31 Dec 2011 N'000	Corporation 31 Dec 2010 N'000
20	**Investment in subsidiaries**			
	Union Bank of Nigeria Plc	58.97	383,330,992	-
	Mainstreet Bank Limited	100	425,562,011	-
	Keystone Bank Limited	100	300,673,147	-
	Enterprise Bank Limited	100	135,032,301	-
	ASCOT Offshore Nigeria Limited	95	17,500,000	
			1,262,098,451	-
	Diminution in value of investments in subsidiaries		(1,039,603,226)	-
			222,495,225	-

i. Union Bank of Nigeria Plc was incorporated as a private company limited by shares in Nigeria in 1969 and became a limited liability company in 1970. The bank is engaged in commercial banking. The bank has nine subsidiaries namely: Union Homes Savings & Loans Plc, Union Trustees Limited, Union Assurance Company Limited, UBN Property Company Limited, Union Bank UK Plc, Union Registrars Limited, Union Capital Markets Limited, Union Pension Custodian Limited and Atlantic Nominees Limited. The bank was acquired by the Corporation on 30 December 2011.

ii Mainstreet Bank Limited was incorporated in Nigeria on 3 August 2011. The principal activity of the Bank includes the provision of money market activities, retail banking, granting of loans and advances, equipment leasing, corporate finance and foreign exchange operations. The bank has nine subsidiaries namely: Mainstreet Capital Market Limited, Mainstreet Micro Finance Bank Limited, Mainstreet Insurance Brokers Company Limited, Mainstreet Estate Limited, Mainstreet Securities Limited, ANP International Finance - Dublin, Mainstreet Bureau De Change, Mainstreet Trustees and Investment Limited and Mainstreet Registrars Limited. The bank was acquired by the Corporation on 5 August 2011.

iii Keystone Bank Limited was incorporated in Nigeria on 3 August 2011. The principal activities of the bank are the provision of money market services, corporate, commercial, consumer and retail banking, granting of loans and advances and foreign exchange operations. The bank has nine subsidiaries namely: BDC PHB Limited, Insurance PHB Limited, Bank PHB Gambia Limited, Global Bank Liberia Limited, Orient Bank Uganda Limited, PHB Sierra leone Limited, PHB Capital and Trust Limited, PHB Asset Management Limited and PHB Healthcare Limited. The bank was acquired by the Corporation on 5 August 2011.

iv Enterprise Bank Limited was incorporated on 2 August 2011. The bank engages in the business of commercial banking. The bank has six subsidiaries namely: Fleet Technologies Limited, Spring Life Assurance Limited, First Spring Insurance Brokers Limited, Spring Realtors Limited, Trustville Property Development Corporation and First Spring Finance Limited. The bank was acquired by the Corporation on 5 August 2011.

v Ascot Offshore Nigeria Limited was incorporated on 18 December 2006. It is a general commercial company which carries on the business of providing support service, man power, contractors, design/fabrication/supply/importation of special paraphernalia/materials and all other consumables in the oil and gas industry. On 7 February 2007, it acquired the Nigerian assets of Willbros Group Inc - an international contractor that provides construction and engineering services to the oil & gas and power industries. The company has seven subsidiaries namely Ascot Africa Incorporated, Ascot Africa Limited, Ascot Coaters Limited, Ascot Constructors Offshore Limited, Ascot Dredging Limited, Ascot Flowlines Limited, Ascot International Services, LLC. The company was acquired by the Corporation on 30 August 2011.

vi The results of all the subsidiaries have been consolidated with those of the Corporation. The condensed financial statements of the consolidated subsidiaries are included in Note 21. All the group companies have the same reporting period.

21 Condensed results of consolidated entities

	AMCON	Union Bank of Nigeria Plc	Mainstreet Bank Limited	Keystone Bank Limited	Enterprise Bank Limited	ASCOT Offshore	Elimination entries	Group Balance
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Condensed profit and loss account								
Operating income	(220,047,024)	-	9,866,315	17,356,722	8,290,378	-	(1,227,499)	(185,761,108)
Income from associates	-	-	807,948	-	4,962	-	-	812,910
Operating expenses	(7,120,256)	-	(12,172,013)	(17,251,865)	(7,582,345)	-	(27,748,000)	(71,874,479)
Asset impairment charge	(32,749,130)	-	(11,289,185)	(7,223,741)	(5,800,115)	-	(2,451,632)	(59,313,803)
Exceptional item	(2,113,488,768)	-	-	-	-	-	(13,045,936)	(2,126,534,704)
Loss before tax	(2,373,405,178)	-	(12,786,935)	(7,118,884)	(4,887,120)	-	(44,473,067)	(2,442,671,184)
Tax	-	-	(59,622)	(206,992)	3,236,376	-	-	2,969,762
Loss after tax	(2,373,405,178)	-	(12,846,557)	(7,325,876)	(1,650,744)	-	(44,473,067)	(2,439,701,422)
Condensed financial position								
Assets								
Cash and balances with central bank	34	51,321,000	19,610,629	38,289,913	22,668,851	691,645	-	132,582,072
Treasury bills	45,049,923	158,717,000	53,869,427	25,059,150	17,409,845	-	-	300,105,345
Due from other banks	30,694,513	216,208,000	46,332,210	53,803,659	3,210,157	-	(4,090,114)	346,158,425
Purchased loans	1,279,425,156	-	-	-	-	-	(1,227,499)	1,278,197,657
Loans and advances	198,257,147	162,559,000	26,628,061	68,369,050	10,504,907	-	(7,227,484)	459,090,681
Investment securities	44,006,353	181,374,000	157,452,012	143,714,365	139,208,903	8,453	(269,911,802)	395,852,284
Investment in subsidiaries	222,495,225	-	-	-	-	-	(222,495,225)	-
Investment in associates	-	7,540,000	4,956,585	-	1,270,038	-	-	13,766,623
Deferred tax assets	-	95,703,000	31,552	107,130	3,260,397	-	-	99,102,079
Other assets	11,869,047	113,623,000	23,760,299	3,454,017	2,501,150	7,908,286	(43,302,111)	119,813,685
Investment property	44,313,094	29,940,000	2,834,856	493,267	7,677,182	-	-	85,258,399
Property and equipment	609,190	50,533,000	12,243,344	32,856,945	7,039,692	5,175,078	-	108,457,249
Intangible assets	-	600,000	311,945	952,521	144,299	-	-	2,008,765
Total assets	1,876,719,682	1,068,118,000	348,030,917	367,100,017	214,895,421	13,783,462	(548,254,235)	3,340,393,264
Financed by:								
Customers deposits	-	500,199,000	184,575,333	281,918,930	162,639,981	-	-	1,129,333,244
Due to other banks	-	62,214,000	10,497,288	7,789,465	4,624,711	-	(90,291)	85,035,173
Other borrowings	-	26,950,000	-	3,646,586	1,735,017	-	-	32,331,603
Current income tax	-	2,668,000	3,580,610	1,703,546	110,111	2,354,643	-	10,416,910
Other liabilities	56,525,889	216,847,000	107,472,711	44,216,277	17,633,577	50,938,959	(41,829,786)	451,804,627
Deferred tax liabilities	-	846,000	141,210	44,660	-	193,749	-	1,225,619
Retirement benefit obligation	62,232	61,841,000	148,287	134,977	-	-	-	62,186,496
Bonds	4,183,591,758	-	-	-	-	-	(269,911,802)	3,913,679,956
Equity and reserve	(2,363,460,197)	196,553,000	41,615,479	27,645,575	28,152,024	(39,703,890)	(236,422,355)	(2,345,620,364)
Total liabilities	1,876,719,682	1,068,118,000	348,030,918	367,100,016	214,895,421	13,783,461	(548,254,234)	3,340,393,264
Statement of cashflows								
Increase/(decrease) in cash and cash equivalents								
At start of period	168,301	-	-	-	-	-	-	168,301
At end of period	75,744,470	329,439,000	97,181,357	91,334,589	26,641,256	691,645	(3,999,823)	617,032,494
	75,576,169	329,439,000	97,181,357	91,334,589	26,641,256	691,645	(3,999,823)	616,864,193

		Group 31 Dec 2011 N'000	Corporation 31 Dec 2011 N'000	Corporation 31 Dec 2010 N'000
22	**Investment in associates**			
	Acquired during the year	12,953,713	-	-
	Share of results	812,910	-	-
	At end of year	13,766,623	-	-
23	**Other assets**			
	Interest and fees receivable	21,162,737	215,418	131
	Prepayments	16,290,861	4,817,024	34,177
	Accounts receivable	18,316,378	-	-
	Other receivables	69,452,998	6,836,605	9,750,000
		125,222,974	11,869,047	9,784,308
	Provision for doubtful receivables	(5,409,289)	-	-
		119,813,685	11,869,047	9,784,308
24	**Investment property**			
a	*Movement in investment property*			
	Balance, beginning of year	45,517,219	45,517,219	-
	Acquired during the year	38,931,634	-	-
	Additions	3,872,495	315,000	45,517,219
	Disposal of investment properties	(1,552,959)	(1,519,125)	-
		86,768,389	44,313,094	45,517,219
	Provision for investment property	(1,509,990)	-	-
	Balance, end of year	85,258,399	44,313,094	45,517,219

Investment properties are acquired for investment purposes and are not occupied substantially by the Group. They are not subjected to periodic charges for depreciation.

Investment properties have been valued by reputable estate valuers to arrive at their open market values. These values are all within the past three years, hence management is of the opinion that there have been no significant fluctuation in the carrying values.

25 Property and equipment

Group

The movement in these accounts during the year was as follows:

	Leasehold land, building and improvements	Furniture and fittings, machinery and office equipment	Motor vehicles	Computer equipment	Capital work in progress	Total
Cost :	N'000	N'000	N'000	N'000	N'000	N'000
Balance, beginning of the year	-	21,815	-	2,064	-	23,879
Acquired through business combination	82,994,804	10,171,876	3,915,475	2,310,910	10,399,090	109,792,155
Additions	165,772	487,165	1,231,530	468,659	43,353	2,396,479
Disposal	(92,579)	(32,488)	(199,912)	(1,034)	(3,509)	(329,522)
Balance, end of the year	**83,067,997**	**10,648,368**	**4,947,093**	**2,780,599**	**10,438,934**	**111,882,991**
Accumulated depreciation :						
Balance, beginning of the year	-	365	-	64	-	429
Charge for the year	1,136,150	1,199,704	732,106	548,841	-	3,616,802
Disposal	(26,137)	(17,531)	(147,362)	(459)	-	(191,489)
Balance, end of the year	**1,110,013**	**1,182,538**	**584,744**	**548,446**	-	**3,425,742**
Net book value :						
End of year	**81,957,984**	**9,465,830**	**4,362,349**	**2,232,153**	**10,438,934**	**108,457,249**
Beginning of year	-	21,450	-	2,000	-	23,450

The Group applies the straight line method of depreciation to allocate the cost of the assets over their estimated economic useful life.

(b) Corporation

The movement in these accounts during the year was as follows:

	Furniture, fittings and equipment	Motor vehicles	Computer equipment	Total
Cost :	N'000	N'000	N'000	N'000
Balance, beginning of the year	21,815	-	2,064	23,879
Additions	203,419	437,648	42,896	683,963
Balance, end of the year	**225,234**	**437,648**	**44,960**	**707,842**
Accumulated depreciation :				
Balance, beginning of the year	365	-	64	429
Additions	20,526	71,764	5,933	98,223
Balance, end of the year	**20,891**	**71,764**	**5,997**	**98,652**
Net book value :				
End of year	**204,343**	**365,884**	**38,963**	**609,190**
Beginning of year	21,450	-	2,000	23,450

The Corporation applies the straight line method of depreciation to allocate the cost of the assets over their estimated economic useful life.

		Group 31 Dec 2011 N'000	Corporation 31 Dec 2011 N'000	Corporation 31 Dec 2010 N'000
26	**Intangible assets**			
	Intangible assets is made up of:			
	Computer Software (note 26i)	2,008,765	-	-
	Goodwill (note 26ii)	-	-	-
		2,008,765	-	-
I	**Computer Software**			
	Cost:			
	Acquired through business combination	2,034,872	-	-
	Additions	249,000	-	-
	Balance, end of the year	2,283,872	-	-
	Amortisation:			
	Amortisation for the year	275,107	-	-
		275,107	-	-
	Net book value:			
	End of year	2,008,765	-	-
ii	**Goodwill**			
	Acquisition of subsidiaries	1,052,649,162	-	-
	Impairment charge (note 11)	(1,052,649,162)	-	-
		-	-	-

The goodwill arose as a result of the acquisitions during the year. Goodwill is tested for impairment annually. However, where events or changes in circumstances indicate that it might be impaired, goodwill is tested immediately and any impairment is charged to the profit and loss account. The impairment charge is the difference between the carrying value of the related subsidiary (group of assets) including the attributable goodwill and their recoverable amounts. The recoverable amounts was determined based on value-in-use calculations.

iii **Business combination**

The details of the assets and liabilities acquired and goodwill arising are as follows:

	Enterprise Bank Limited N'000	Union Bank of Nigeria Plc N'000	Mainstreet Bank Limited N'000	Keystone Bank Limited N'000	ASCOT Offshore Limited N'000	Total N'000
Assets						
Cash and balances with central bank	19,886,948	51,321,000	23,040,445	25,615,561	691,645	**120,555,599**
Treasury bills	21,474,072	158,717,000	137,607,566	11,410,166	-	**329,208,804**
Due from other banks	3,861,592	216,208,000	15,973,737	23,619,499	-	**259,662,828**
Loans and advances	8,936,326	158,565,000	87,063,499	40,044,278	-	**294,609,103**
Advances under finance lease	197,239	3,994,000	-	61,439	-	**4,252,678**
Investment securities	110,455,028	181,374,000	1,681,190	184,351,721	8,453	**477,870,392**
Investment in subsidiairies	-	-	11,345,933	10,657,083	-	**22,003,016**
Investment in associate	1,265,076	7,540,000	-	-	-	**8,805,076**
Investment property	8,931,763	29,940,000		143,267	-	**39,015,030**
Other assets	2,872,256	113,623,000	45,932,938	36,024,335	7,908,286	**206,360,815**
Deferred tax assets	-	95,703,000	1,972,300	-	-	**97,675,300**
Intangible assets	188,940	600,000		1,112,378	-	**1,901,318**
Property and equipment	6,492,468	50,533,000	11,982,923	32,313,639	5,175,079	**106,497,109**
Total assets	184,561,708	1,068,118,000	336,600,531	365,353,366	13,783,463	**1,968,417,068**
Liabilities						
Customer deposits	174,337,395	500,199,000	242,677,396	284,924,729	-	**1,202,138,520**
Due to other banks	33,136,576	62,214,000	143,624,907	203,844,207	-	**442,819,690**
Other borrowings	60,000,000	26,950,000	109,000,000	76,285,475	-	**272,235,475**
Other liabilities	22,249,024	216,847,000	210,011,118	64,095,284	48,953,765	**562,156,191**
Current income tax	155,433	2,668,000	2,105,446	1,575,442	2,354,643	**8,858,964**
Retirement benefit obligation	-	61,841,000	1,808,358	-	-	**63,649,358**
Deferred tax liabilities	8,263	846,000	-	-	193,749	**1,048,012**
Total liabilities	289,886,691	871,565,000	709,227,225	630,725,137	51,502,157	**2,552,906,210**
Non-controlling interest	-	7,094,000	-	-	-	**7,094,000**
Net Assets	(105,324,983)	189,459,000	(372,626,694)	(265,371,771)	(37,718,694)	**(591,583,142)**
Percentage acquired	100.00%	58.97%	100.00%	100.00%	100.00%	
Share of net assets acquired	(105,324,983)	111,723,972	(372,626,694)	(265,371,771)	(37,718,694)	**(669,318,169)**
Purchase consideration (debt security issued)	-	383,330,993	-	-	-	**383,330,993**
Goodwill	**105,324,983**	**271,607,021**	**372,626,694**	**265,371,771**	**37,718,694**	**1,052,649,162**

iv Had the Corporation acquired the subsidiaries at the beginning of the year, the combined revenue and loss for the year is summarized below:

	N'000
Revenue	**140,734,798**
Loss after tax	**(2,530,870,755)**

	Group 31 Dec 2011 N'000	Corporation 31 Dec 2011 N'000	Corporation 31 Dec 2010 N'000
27 Customers deposits			
Current deposits	451,374,173	-	-
Savings deposits	211,351,742	-	-
Term deposits	372,036,879	-	-
Domiciliary deposit	89,390,450	-	-
Electronic purse	5,180,000	-	-
	1,129,333,244	-	-
Analysis by maturity			
0 - 30 days	874,304,877	-	-
1 - 3 months	188,290,945	-	-
3 - 6 months	18,179,835	-	-
6 - 12 months	24,790,125	-	-
over 12 months	23,767,462	-	-
	1,129,333,244	-	-

28 Due to other banks

Due to other banks comprise

Interbank takings	5,229,401	-	-
Current balances with banks	79,439,855	-	-
Items in the course of collection	365,917	-	-
	85,035,173	-	-

Items in the course of collection represent the credit balances outstanding in favour of banks for which the Group serves as the clearing and settlement agent.

29 Borrowings

Commercial Agriculture Credit Scheme (see note 29a)	14,859,000	-	-
Bank of Industry (see note 29b)	17,398,967	-	-
Apex Fund (see note 29c)	73,636	-	-
	32,331,603	-	-

a This represents the amount disbursed by the Central Bank of Nigeria (CBN) as part of its developmental role, in collaboration with the Federal Government of Nigeria represented by the Federal Ministry of Agriculture and Water Resources which established the Commercial Agriculture Credit Scheme (CACS) for promoting agricultural enterprises in Nigeria. The funds are made available to participating banks at zero cost, for on-lending to commercial agriculture enterprises at a maximum rate of 9% per annum.

b This amount represents an intervention credit granted to the banks acquired by the Corporaton by the Bank of Industry (BOI), for the purpose of refinancing or restructuring existing loans to Small and Medium Scale Enterprises (SMEs) and manufacturing companies. The facilities are repayable quarterly over 10 to 15 years. A management fee of 1% deductible at source is paid by the banks under the on-lending agreement and the banks are under obligation to on-lend to customers at an all-in interest rate of 7% per annum. Though, the facility is meant for on-lending to borrowers in specified sectors, the banks remain the primary obligor of the BOI and therefore assume the risk of default of customers.

c The APEX fund represents unsecured finance loans from the Bank of Uganda for the purpose of investment in agriculture. It attracts interest of 9% and is repayable within 4 years.

	Group 31 Dec 2011 N'000	Corporation 31 Dec 2011 N'000	Corporation 31 Dec 2010 N'000
30 Other liabilities			
Unearned income	34,532,611	34,222,353	-
Customers' deposit for letters of credit	51,848,862	-	-
Interest payable	12,650,543	-	-
Accrued expenses	37,299,882	-	-
Accounts payable	87,013,982	20,203,181	-
Collection on behalf of other organisations	44,280,751	-	-
Other payables	184,177,996	2,100,355	19,223,890
	451,804,627	56,525,889	19,223,890

	Group 31 Dec 2011 N'000	Corporation 31 Dec 2011 N'000	Corporation 31 Dec 2010 N'000
31 Retirement benefit obligation			
Defined contribution scheme (See (a) below)	564,496	62,232	4,820
Defined benefit scheme (See (b) below)	61,622,000	-	-
	62,186,496	62,232	4,820
a Defined contribution scheme			
Opening balance	4,820	4,820	-
Acquired during the year	322,323	-	-
Charge to profit and loss	683,522	101,376	4,820
Payments to ex-staff	(341,860)	-	-
Contributions remitted	(104,309)	(43,964)	-
	564,496	62,232	4,820
b Defined benefit scheme			
Balance, beginning of year	-	-	-
Acquired during the year	61,622,000	-	-
Balance, end of year	61,622,000	-	-

c The defined benefit scheme relates to Union Bank of Nigeria Plc and entitles qualified employees to receive a lump sum payment based on the number of years served after an initial qualifying period of 5 years and gross salary on date of retirement. The defined benefit obligation at the end of year represents the balance as actuarially determined by HR Consulting Nigeria Limited.

		Group 31 Dec 2011 N'000	Corporation 31 Dec 2011 N'000	Corporation 31 Dec 2010 N'000
d	The principal actuarial assumptions used were as follows:			
	- discount rate	10%	-	-
	- average rate of inflation	9%	-	-
	- future salary increases	10%	-	-

32 Bonds

		Group 31 Dec 2011 N'000	Corporation 31 Dec 2011 N'000	Corporation 31 Dec 2010 N'000
a	Nominal value	5,209,907,226	5,560,191,161	1,148,492,793
	Unamortised discount	(1,296,227,270)	(1,376,599,403)	(299,447,346)
		3,913,679,956	4,183,591,758	849,045,447
b	**Movement in unamortised discount**			
	At start of the year	299,447,346	299,447,346	-
	Addition during the year	1,221,508,290	1,301,880,423	299,447,346
	Amortisation - discount expense (note 4)	(224,728,366)	(224,728,366)	-
	At end of year	1,296,227,270	1,376,599,403	299,447,346

These are zero coupon bonds guaranteed by the Federal Government of Nigeria and are redeemable by the Corporation at nominal value on maturity date.

The Bonds were issued as consideration for the purchase of Eligible Bank Assets and to recapitalise certain distressed banks under the provisions of the Asset Management Corporation Of Nigeria Act. In addition, bonds with a nominal value of N17.620 billion were issued in exchange for cash of N12.878 billion to provide working capital for the Corporation.

33 Share capital

Authorised, issued and fully paid

	Group 31 Dec 2011 N'000	Corporation 31 Dec 2011 N'000	Corporation 31 Dec 2010 N'000
10 billion ordinary shares of N1 each	10,000,000	10,000,000	10,000,000

34 Reserves
a **Group**

	Translation reserves N'000	General reserves N'000	Total N'000
Balance, beginning of the year	-	(55,021)	(55,021)
Transferred from profit and loss	-	(2,439,814,412)	(2,439,814,412)
Exchange difference	1,650,677	-	1,650,677
Balance, end of the year	1,650,677	(2,439,869,433)	(2,438,218,756)

	Group 12 months to 31 Dec 2011 N'000	Corporation 12 months to 31 Dec 2011 N'000	Corporation 2 months to 31 Dec 2010 N'000

b Corporation

	Translation reserves N'000	General reserves N'000	Total N'000
Balance, beginning of the year	-	(55,021)	(55,021)
Transferred from profit and loss	-	(2,373,405,176)	(2,373,405,176)
Balance, end of the year	-	(2,373,460,197)	(2,373,460,197)

35 Non-controlling interest

Movement in non controlling interest during the year

	Group	Corporation	Corporation
On acquisition of subsidiaries	82,485,402	-	-
Transfer from profit and loss	112,990	-	-
Balance,end of year	82,598,392	-	-

36 Contingent liabilities and commitments

a Legal proceedings

The Group in the ordinary course of business is presently involved in 978 litigation suits amounting to N120.44bn. Of these litigations, management estimates that the amount that will result in financial loss is not material and have not provided for these in the financial statements.

b Capital commitments

The Group has no capital commitments in respect of authorized and contracted capital projects as at 31 December 2011.

c Acceptances, bonds and guarantees

In the normal course of business, the Group is party to financial instruments with off-balance sheet risks. The instruments are used to meet the credit and other financial requirements of customers. The contractual amounts of the off-balance sheet financial instruments at the balance sheet date were:

	Group 31 Dec 2011 N'000	Corporation 31 Dec 2011 N'000	Corporation 31 Dec 2010 N'000
Performance bonds and guarantees	121,739,391	-	-
Letters of credit	63,851,871	-	-
Guaranteed commercial papers and bankers acceptances	920,000	-	-
Other contingents	6,454,981	-	-
	192,966,243	-	-

	Group 12 months to 31 Dec 2011 N'000	Corporation 12 months to 31 Dec 2011 N'000	Corporation 2 months to 31 Dec 2010 N'000
37 Employees and directors			
a) Employees			
The number of persons employed during the period by category:	**Number**	**Number**	Number
Executive directors	4	4	4
Management	555	18	1
Non-management	13,756	123	9
	14,315	145	14
Staff cost for the above persons (excluding executive directors):		**N'000**	N'000
Salaries and wages	11,478,354	1,131,498	3,053
Retirement benefit cost	5,598,522	101,375	975
	17,076,876	1,232,873	4,028
The number of employees of the Corporation, excluding executive directors, who received emoluments in the following ranges was:	**Number**	**Number**	Number
Less than N3,000,000.00	6,538	44	5
N3,000,001 - N6,000,000	5,994	49	1
N6,000,001 - N9,000,000	1,339	22	1
N9,000,001 - N12,000,000	280	4	2
N12,000,001 - N15,000,000	81	6	-
N15,000,001 - N18,000,000	60	6	-
Above N18,000,000	19	10	1
	14,311	141	10
b) Directors			
The remuneration paid to the directors of the Corporation (excluding pension) was:			
Fees and sitting allowances	16,800	16,800	2,950
Executive compensation	214,893	214,893	31,733
	231,693	231,693	34,683
Fees and other emoluments disclosed above include amounts paid to:			
The chairman	2,000	2,000	500
The highest paid director	63,259	63,259	6,850
The number of directors who received fees and other emoluments (excluding pension contributions) in the following ranges was:			
Below N1,000,000	2	2	6
N1,000,000 - N2,000,000	4	4	-
N6,000,000 and above	4	4	4
	10	10	10

	Group 12 months to 31 Dec 2011 N'000	Corporation 12 months to 31 Dec 2011 N'000	Corporation 2 months to 31 Dec 2010 N'000
38 Cash generated from operations			
Reconciliation of loss for the period to cash generated from operations:			
Operating loss before tax	(2,442,671,184)	(2,373,405,176)	(55,021)
Depreciation (note 9)	3,616,802	98,223	429
Amortisation of intangible asset (note 9)	275,107	-	-
Loss on restructured loans (note 10)	14,024,293	14,024,293	-
Diminution in investment in subsidiaries (note 11)	-	1,039,603,226	-
Diminution in value of long term investment (note 10)	15,561,385	14,161,113	-
Diminution in value of short term investment (note 10)	2,216,599	-	-
Loss on disposal of investments (note 11)	1,073,885,542	1,073,885,542	-
Impairment of goodwill (note 26)	1,052,649,162	-	-
Provision on loans and advances (note 10)	7,463,337	4,563,722	-
Provision on other assets (note 10)	5,409,288	-	-
Provision on investment property (note 10)	1,509,990	-	-
Profit on sale of property and equipment (note 8)	(3,477)	-	-
Effect of exchange rate fluctuation on foreign cash	1,650,677	-	-
Share of profit in associate (note 22)	(812,910)	-	-
Dividend income (note 7)	(61,772)	(38,170)	-
Profit on disposal of investment property (note 7)	(371,495)	(129,271)	-
Operating loss before changes in operating assets and liabilities	(265,658,656)	(227,236,497)	(54,592)
(Increase)/decrease in operating assets:			
Increase in purchased loans	(469,496,093)	(470,723,592)	(868,243,077)
Increase in loans and advances	(167,692,237)	(202,820,869)	-
Increase in other assets	85,571,770	(11,834,738)	(34,308)
Increase in mandatory deposit with Central Bank of Nigeria	(76,778,175)	-	-
	(628,394,735)	(685,379,198)	(868,277,385)
Increase/(decrease) in operating liabilities:			
Increase in customer deposits	(72,805,276)	-	-
Increase in bonds	1,536,889,330	927,600,187	849,045,447
Increase in retirement benefit obligation	(1,467,682)	57,411	-
Increase in other liabilities	(136,084,670)	37,547,737	19,228,710
	1,326,531,702	965,205,335	868,274,157
Cash generated/(utilised) in operations	432,478,310	52,589,640	(57,820)

	Group 31 Dec 2011 N'000	Corporation 31 Dec 2011 N'000	Corporation 31 Dec 2010 N'000

39 Loss per share

Basic loss per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

	Group 31 Dec 2011 N'000	Corporation 31 Dec 2011 N'000	Corporation 31 Dec 2010 N'000
Net loss attributable to shareholders (N'000)	(2,439,814,412)	(2,373,405,176)	(55,021)
Number of shares in issue (thousands)	10,000,000	10,000,000	10,000,000
Time weighted average number of ordinary shares in issue (thousands)	10,000,000	10,000,000	10,000,000
Basic loss per share (Naira)	(244)	(237)	(0.01)

The Corporation does not have potentially dilutive shares.

40 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include:

	Group 31 Dec 2011 N'000	Corporation 31 Dec 2011 N'000	Corporation 31 Dec 2010 N'000
Cash and balances with central bank (note 13)	55,803,897	34	67
Treasury bills (note 14)	300,105,345	45,049,923	-
Due from other banks (note 15)	346,158,425	30,694,513	168,234
Due to other banks (note 28)	(85,035,173)	-	-
	617,032,494	75,744,470	168,301

41 Subsequent events

Subsequent to the year end, the Corporation disposed part of its investment in Union Bank of Nigeria Plc. No other event has occurred after the financial year-end to the date this financial statements have been approved that is material to the figures as disclosed in these financial statements.

42 Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year. Significant adjustments include the reclassification of investment property which was included in purchased loans in the prior year. See details as follows:

	Corporation 31 Dec 2010 N'000
a Investment property	
Balance as at 31 December 2010	-
Reclassified from purchased loans	45,517,219
Balance as at 31 December 2010 as restated	45,517,219
b Purchased loans	
Balance as at 31 December 2010	868,243,077
Reclassified to investment property	45,517,219
Balance as at 31 December 2010 as restated	822,725,858

ASSET MANAGEMENT CORPORATION OF NIGERIA

VALUE ADDED STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011

GROUP:

	31 Dec 2011		31 Dec 2010	
	N'000	%	N'000	%
Gross earnings	57,324,918		162	
Interest expense	(243,086,026)		-	
	300,410,944		162	
Administrative overheads	(2,722,000,354)		(50,726)	
	(2,421,589,410)	100	(50,564)	100
Distribution:				
Employees				
- Salaries and pensions	17,076,876	(1)	4,028	(8)
Government				
- Taxation	(2,969,762)	0	-	-
Retained in the group				
- Depreciation and amortisation	3,891,909	(0)	429	(1)
- Non controlling interest	112,990	(0)	-	-
- Retained earnings	(2,439,701,422)	101	(55,021)	109
	(2,421,589,410)	100	(50,564)	100

CORPORATION

	31 Dec 2011		31 Dec 2010	
	N'000	%	N'000	%
Gross earnings	4,681,341		162	
Interest expense	(224,728,365)		-	
	229,409,706		162	
Administrative overheads	(2,601,483,786)		(51,155)	
	(2,372,074,080)	100	(50,993)	100
Distribution:				
Employees				
- Salaries and pensions	1,232,873	(0)	4,028	(8)
Government				
- Taxation	-	-	-	-
Retained in the group				
- Depreciation and amortisation	98,223	(0)	-	-
- Retained earnings	(2,373,405,176)	100	(55,021)	108
	(2,372,074,080)	100	(50,993)	100