



NIS HOLDINGS CORP. (OTC: NISC)

A Nevada Corporation

2012 ANNUAL REPORT

Prepared in accordance with
OTC Pink Basic Disclosure Guidelines
(v1.0 January 3, 2013)

NIS Holdings Corp.
265 52nd Street (2nd floor)
Brooklyn, NY 11220

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Cautionary Note Regarding Forward-Looking Statements

Information set forth in this 2012 Annual Report contains forward-looking statements, including, without limitation, statements containing the words "believes," "anticipates," "expects," "intends," "plans," "seeks," "estimates," "may," "will," "could," "stands to," and "continues," as well as similar expressions. Such forward-looking statements may involve known and unknown risks, uncertainties and other factors which might cause the actual results, financial condition, performance or achievements of NIS Holdings Corp., or industry results, to be materially different from any historic or future results, financial conditions, performance or achievements expressed or implied by such forward-looking statements. Given these uncertainties, the reader is advised not to place any undue reliance on such forward-looking statements. These forward-looking statements speak only as of the date of publication of this document. NIS Holdings Corp. expressly disclaims any obligation to update any such forward-looking statements in this document to reflect any change in its expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based, unless required by law or regulation.

I. Name of the issuer and its predecessors

Name: **NIS Holdings Corp.** (As of February 17, 2010)

Formerly known as

Associated Media Holdings, Inc.

II. Address of the issuer's principal executive offices

Company Headquarters

265 52nd Street (2nd floor), Brooklyn, NY 11220

Tel: (212) 688-1007

Fax: (718) 492-8108

info@nisholdings.com

www.nisholdings.com

IR Contact

N/A

III. Security Information

Trading Symbol: **NISC**

Exact title and class of securities outstanding: Common Stock, Class A Convertible Preferred Stock (Not tradable), Preferred Stock (Not tradable)

CUSIP: 62914X201

Par Value: \$0.00025

Total shares authorized: 100,000,000 as of: 3/31/2013

Total shares outstanding: 75,523,440 as of: 3/31/2013

Transfer Agent

Holladay Stock Transfer, Inc.

2939 N. 67th Place, Scottsdale, AZ 85251

Phone: (480) 481-3940

Fax: (480) 481-3941

Holladay Stock Transfer, Inc. is registered under the Securities Exchange Act of 1934 and regulated by the U.S. Securities and Exchange Commission.

- Any restrictions on the transfer of security:

NONE

- Any trading suspension orders issued by the SEC in the past 12 months.

NONE

IV. Issuance History

The Company has not raised capital through a securities offering and has not issued shares for services within the last two years.

V. Financial Statements

Copies of the following unaudited Consolidated Financial Statements of NIS Holdings Corp. for the year ended December 31, 2012 are attached hereto as Exhibit:

1. Consolidated Balance Sheets
2. Consolidated Income Statements
3. Consolidated Statements of Cash Flows
4. Statements of changes in Stockholders' Equity
5. Financial Notes

The attached Consolidated Financial Statements and the notes thereto are hereby incorporated by reference into this Annual Report.

VI. Issuer's Business, Products and Services

A. Overview

NIS Holdings Corp. ("NIS Holdings" or "The Company" and formerly known as Associated Media Holdings Inc.) specializes in the acquisition of firms in profitable markets with high-potential and capable of achieving sustainable growth. NIS Holdings provides professional support for its consolidated subsidiaries through operational business management, financing, and controlling activities.

At the moment, the Company targets three key business sectors:

- **the loyalty management market**
- **the gift card industry and,**
- **the marketing consulting industry**

NIS Holdings' strategic goal is to create a commercial network of wide-brand recognition products and services from different sectors within target industries. Compelling offers utilizing consumer reward programs and systems will be distributed individually or convincingly packaged to a ready consumer base; thus offer them numerous benefits for having consumed within the network. In conjunction with consulting services, this will create an unparalleled, technologically advanced network of high-quality retailers that are patronized by a large and loyal consumer base.

The network will consist of:

- Leisure Firms: Restaurants, Theatres, Amusement, Recreation
- Commercial Retailers: Clothing/Apparel, Food, Consumer Products

Our Mission

Our mission is to support thousands of businesses in the realization of their business goals, by bringing to world a portfolio of brands that meet people's needs and desires better than the other participants in the market. We will achieve a leading position through fostering a winning network of associates and partners and building mutually loyalty and trust.

Our Values

Our values are:

- We apply experienced strategic thinking and proven execution strategies to produce measurable results.

- Our business success is based on the extensive expertise and commitment of our people.
- We pursue processes and practices that promote and ensure fairness, transparency and accountability.

Our Vision

Our vision is to make NIS Holdings a prominent, dynamic business group with sustainable growth and actively involved in multiple sectors within the retailing marketing industry. Our team consists of visionaries and doers, determined to systematically provide superior value to our shareholders, our associates and our society.

Recent Business Developments

On February 4, 2011 NIS Holdings acquired Alpha Dynamic Group Inc., the firm behind the Earn IQ reward program, a tailor-made marketing solution for small to medium businesses desiring to capitalize on brand recognition and strengthen brand loyalty. Earn IQ is a closed loop reward program that will allow consumers to purchase items either online or physically in any of the participating stores in the robust Earn IQ network and earn rewards points based on their total bill. Consumers will be able to aggregate the points they have earned into a reward point exchange account and redeem them, either online or physically, for products or services at any Earn IQ retailer within the Earn IQ network and at any time.

On July 1st, 2011, NIS Holdings acquired Alpha Card Technology Inc. Alpha Card Technology is a start-up business based in New York that specializes in offering outsourced gift card processing across a variety of platforms. The Company will combine emerging technologies with the thriving coupon industry to provide consumers with unlimited mobile access to gift cards to their favorite businesses.

- B. NIS Holdings Corp. was incorporated under the laws of the State of Nevada on June 21, 2004.
- C. Primary SIC Code: **7389**
Secondary SIC Code: **7374**
- D. Issuer's fiscal year end date: **December 31**

E. Principal products or services, and their markets



Earn IQ is a tailor-made marketing solution for small to medium businesses desiring to capitalize on brand recognition and strengthen brand loyalty. This completely customizable marketing solution will allow consumers to purchase items either online or physically from participating retailers in the robust Earn IQ network and earn points based on their total bill. Consumers will be able to aggregate the points they have earned into a reward point exchange account and redeem them, either online or physically, for products or services at any Earn IQ retailer within the Earn IQ network and at any time. All the afore-mentioned transactions will be made with the use of a single card, available both in physical form and via Smart phones. The Company will launch the Earn IQ program in the New York metropolitan area with a focus on the dining and entertainment sector.

Earn IQ's loyalty marketing solutions help firms better understand the needs of their target groups by mapping the entire chain of customer loyalty activities from account management, and the management of redemption processes, to the implementing of advertising campaigns.

As a coalition loyalty owner and operator, Earn IQ is responsible for establishing relationships with Commercial Partners, issuing the applicable reward points, and has responsibility for the programs in terms of funding any required reserve, owning the redemption liability and managing Breakage. In general terms, Earn IQ's business is based on two major streams of activity: (i) the sale of marketing services to our Commercial Partners; and (ii) delivering rewards to our members.

Earn IQ will build revenues and profits from a number of different sources:

- Commissions on the retailers' revenues which are attributed to Earn IQ
- Value added marketing services

Earn IQ will primarily focus on direct sales to reach merchants. To reach a consumer audience, Earn IQ will use the following marketing tools:

- An integrated marketing campaign which includes a mix of local, radio, print, digital and outdoor advertising

- Word of mouth referrals
- Well-placed signage that captures the attention of consumers and conveys a simple, consistent message that encourages guests to join our loyalty program (signage on entry doors, tabletops, menu inserts, etc.)

Distribution methods of the products or services

Earn IQ will conduct its sales activities in-house, utilizing low cost salesmen. Cards will be distributed through the merchants as well as at events that will be organized by the company.

Competition

In general, the loyalty management market in the New York metropolitan area is highly competitive. However, we have not identified a direct competitor in this particular niche of co-branded retailing loyalty marketing industry where network size, quality of rewards and quantity of actionable data are included. The most significant competition comes from existing consulting and market research firms or from reward cards distributed through individual retailers who also choose to do business development and market research internally as part of their ordinary business functions. Our key advantage in competition with internal development is that managers are already overloaded with responsibilities and they are not willing to invest substantially in any stand-alone loyalty plan.

In regard to B2C services offered, consumers have a significant amount of power since they have a large number of reward programs to choose from. Moreover, services are undifferentiated, which means that customer loyalty is usually low. Reward programs must compete on quality, timeliness of service and customer relations. Our main competition comes from several websites and mobile apps that offer coupons or promotional gift cards usable at local stores, but the market of potential cardholders is truly vast. Our competitive edge is the simplicity of our program, the immediacy of customer gratification, the wide range of choices for gaining and redeeming rewards and finally, our strategy of carefully choosing our partners/merchants in order to ensure that they meet specific needs of consumers.

VII. Issuer's Facilities

The issuer occupies approximately 2,000 square feet of the following leased office space at the rate of \$2,200 per month:

**265 52nd Street (2nd floor)
Brooklyn, NY 11220
USA**

VIII. Officers, Directors, and Control Persons

A. Officers and Directors

- Nikolaos Mangas (President & Treasurer)
265 52nd Street (2nd floor), Brooklyn, NY 11220
5 year employment history: Credit Risk Officer at Alpha Bank SA
Board memberships and other affiliations: None
Compensation by the issuer: None for the time being
Number of shares beneficially owned: -0- shares
- Niko Papavasiliopoulos (Vice President)
265 52nd Street (2nd floor), Brooklyn, NY 11220
5 year employment history: Privately held enterprises in the food industry
Board memberships and other affiliations: None
Compensation by the issuer: None for the time being
Number of shares beneficially owned: -0- shares
- Vasiliki Anagnostou (Secretary)
265 52nd Street (2nd floor), Brooklyn, NY 11220
5 year employment history: Sales Executive at SBCS SA, Pre-sales Manager at SYSCOMP SA, Operations Manager at I-TEX SA (ISONET Group of Companies)
Board memberships and other affiliations: None
Compensation by the issuer: None for the time being
Number of shares beneficially owned: -0- shares

B. Legal/Disciplinary History

None of the officers, directors, or control persons of NIS Holdings Corp. has, in the past five years, been the subject of any of the following:

- A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses)
- The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities
- A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities

law, which finding or judgment has not been reversed, suspended, or vacated; or

- The entry of an order by a self-regulatory organization that permanently or temporarily barred suspended or otherwise limited such person's involvement in any type of business or securities activities.

C. Beneficial Shareholders

- **Global Stock Investments Ltd. (Beneficial owner of 54.5% of the common stock)**

66-68 High Road Overseas House,
Bushey Heath, Hertfordshire WD23 1GG, UK

Registered agent:

Openaeuropeancompany.com Ltd.
35 High Street, Bushey, The Annexe, IVY House, WD23 1BD Hertfordshire, UK

Sole Shareholder of Global Stock Investments Ltd.:

A.M.K. Trustee Services Ltd.
Kaningos & Griva Digeni Avenue,
Pamvela Building, 2nd Floor, office 205,
3035 Limassol, Cyprus

Shareholders of A.M.K. Trustee Services Ltd.:

Menelaos Kyprianou (43.6%)
Lambros Soteriou (18.8%)
Tonia Antoniou (18.8%)
Savvas Savvides (18.8%)

The address for each one of the above shareholders is the same as the address listed for A.M.K. Trustee Services Ltd.

- **Stacey Karamitas (Beneficial owner of 13.6% of the common stock)**

378 90th Street
Brooklyn, NY 11209

IX. Third Party Providers

<u>Legal Counsel:</u>	The McGeary Law Firm, P.C. 1600 Airport Fwy., Suite 300, Bedford, Texas, 76022 Tel: 817-282-5885, Fax: 817-282-5886
<u>Accountant or Auditor:</u>	None
<u>Investor Relations Consultant:</u>	None
<u>Other Advisor:</u>	Legal counsel and in-house management assisted the President/Treasurer in the preparation of this statement.

X. Issuer Certifications

I, Nikolaos Mangas certify that:

1. I have reviewed this annual disclosure statement of NIS Holdings Corp.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: March 22, 2013
/s/ Nikolaos Mangas
President & Treasurer

EXHIBIT



NIS HOLDINGS CORP (OTC: NISC)

(A Development Stage Company)

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

(Unaudited, expressed in US Dollars)

NIS Holdings Corp.
265 52nd Street, 2nd Floor
Brooklyn, NY 11220

NIS Holdings, Corp.
(Formerly Associated Media Holdings Inc)
(A Development Stage Company)
Consolidated Balance Sheets
(Unaudited)

	December 31, 2012	December 31, 2011
ASSETS		
Current assets		
Cash and cash equivalents	\$ 41,125	\$ 2,355
Accounts receivable	\$ 4,550	\$ 4,550
Prepaid expenses	\$ 4,400	\$ 2,500
Total current assets	<u>\$ 50,075</u>	<u>\$ 9,405</u>
Fixed assets		
Furniture and equipment, net	\$ 24,605	\$ -
Goodwill	\$ 1,504,504	\$ 1,504,504
Software development costs	\$ 225,000	\$ 225,000
Intangible assets, net	\$ 2,554	\$ 10,437
	<u>\$ 1,806,737</u>	<u>\$ 1,749,346</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued expenses	\$ 1,278,087	\$ 1,311,109
Total current liabilities	<u>\$ 1,278,087</u>	<u>\$ 1,311,109</u>
Noncurrent liabilities		
Long-term debt, net of current maturities	\$ 911,097	\$ 636,097
Total liabilities	<u>\$ 2,189,184</u>	<u>\$ 1,947,206</u>
Shareholders' equity		
Preferred Stock, \$0.00025 par value; authorized 90,000,000 Preferred shares, authorized 10,000,000 Class A Preferred shares issued and outstanding, 0 Class A	\$ -	\$ 50
Common Stock, \$0.00025 par value; authorized 100,000,000 shares, issued and outstanding 75,523,440 shares	\$ 18,881	\$ 13,903
Additional paid-in capital	\$ 8,120,948	\$ 8,125,876
Subscription notes receivable	\$ (3,000,000)	\$ (3,000,000)
Accumulated deficit	\$ (5,522,275)	\$ (5,337,689)
	<u>\$ (382,446)</u>	<u>\$ (197,860)</u>
Total shareholders' equity	<u>\$ (382,446)</u>	<u>\$ (197,860)</u>
	<u>\$ 1,806,737</u>	<u>\$ 1,749,346</u>

The accompanying notes are an integral part of these financial statements.

NIS Holdings, Corp.
(Formerly Associated Media Holdings Inc.)
(A Development Stage Company)
Consolidated Income Statements
(Unaudited)

	Year Ended December 31,	
	2012	2011
Revenues	\$ <u>-</u>	\$ <u>-</u>
Operating Expenses		
Amortization	\$ 9,492	\$ 83,600
Consulting expense	\$ -	\$ 21,400
General and administrative	\$ 117,302	\$ 38,214
Marketing	\$ 19,932	\$ 25,309
Professional fees	\$ 37,911	\$ 61,916
Compensation expense	\$ -	\$ -
Website development	\$ <u>-</u>	\$ <u>-</u>
Total operating expenses	\$ <u>184,637</u>	\$ <u>230,439</u>
Operating loss	\$ (184,637)	\$ (230,439)
Other income/expense		
Other income		
Finance charge (income)	\$ 50	\$ 55
Other income	\$ -	\$ 10,995
Other expense	\$ -	\$ (328)
Total other income/expense	\$ <u>50</u>	\$ <u>10,722</u>
Net loss	\$ <u>(184,587)</u>	\$ <u>(219,717)</u>
Net loss per common share:		
- Basic and diluted	\$ <u>(0.00)</u>	\$ <u>(0.37)</u>
Weighted average number of common shares outstanding:	<u>70,086,607</u>	<u>591,815</u>

The accompanying notes are an integral part of these financial statements.

NIS Holdings, Corp.
(Formerly Associated Media Holdings Inc.)
(A Development Stage Company)
Consolidated Statements of Cash Flows
(Unaudited)

	Year Ended December 31,	
	2012	2011
INCREASE (DECREASE) IN CASH		
Cash flows from operating activities:		
Net loss	\$ (184,587)	\$ (219,717)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization	\$ 9,492	\$ 83,600
Common stock issued for service	\$ -	\$ -
Increase (decrease) in cash attributable to changes in		
Accounts receivable	\$ -	\$ -
Prepaid expenses	\$ (1,900)	\$ (2,500)
Accounts payable and accrued expenses	<u>\$ (33,022)</u>	<u>\$ 220,448</u>
Net cash used in operating activities	\$ (210,017)	\$ 81,831
Cash flows from investing activities:		
Goodwill	\$ -	\$ (1,504,504)
Acquisition of software development	\$ -	\$ (225,000)
Purchase of property and equipment	<u>\$ (26,214)</u>	<u>\$ -</u>
Net cash provided (used) in investing activities	\$ (26,214)	\$ (1,729,504)
Cash flows from financing activities:		
Proceeds from issuance of notes payable	\$ 275,000	\$ 149,700
Proceeds from issuance of common stock	\$ -	\$ 1,500,000
Net cash provided by financing activities	<u>\$ 275,000</u>	<u>\$ 1,649,700</u>
Net increase (decrease) in cash	\$ 38,770	\$ 2,027
Cash at beginning of period	<u>\$ 2,355</u>	<u>\$ 328</u>
Cash at end of period	<u>\$ 41,125</u>	<u>\$ 2,355</u>
Supplemental disclosures of cash flow information		
Noncash financing and investing activities:		
Issuance of stock in connection with debt settlement	<u>\$ -</u>	<u>\$ -</u>
Cash paid during the period for:		
Interest	<u>\$ -</u>	<u>\$ -</u>
Taxes	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

NIS Holdings, Corp. (Formerly Associated Media Holdings Inc) (A Development Stage Company) Statement of Stockholders' Equity (deficit) (Unaudited)								
	Preferred Stock Shares	Amount	Common Stock Shares	Amount	Additional Paid-in Capital	Deferred Stock-based Compensation/ Subs. Notes Receivable	Accum. Deficit	Total Stockholders' Equity (Deficiency)
Bal, June 21, 2004			-	-	-	-	-	-
Shares issued for cash at \$0.01 per share			20	-	2,000			2,000
Shares issued for cash at \$2.00 per share			1	-	20,000			20,000
Shares issued for cash at \$5.00 per share			1	-	50,000			50,000
Net loss for the year							(72,000)	(72,000)
Bal, Dec 31 2004			22	-	72,000	-	(72,000)	-
Shares issued for asset at par value per share			4,000	1	9,999			10,000
Shares issued in a private placement at \$1.00 per share			30	-	300,000			300,000
Net loss for the year							(178,031)	(178,031)
Bal, Dec 31 2005			4,052	1	381,999	-	(250,031)	131,969
Issuance of additional shares to existing investor pursuant to an anti dilution agreement			30	-	-			-
Shares issued in a private placement at \$0.50 per share			244	-	1,218,000			1,218,000

Shares issued for service at \$0.50 per share	110	-	550,000			550,000
Shares issued for prepaid services at \$0.50 per share	200	-	1,000,000	(1,000,000)		-
Cancellation of shares	(310)	-	(774)			(774)
Amortization of stock based compensation				1,000,000		1,000,000
Net loss for the year					(3,268,149)	(3,268,149)
Bal, Dec 31 2006	4,326	1	3,149,225	-	(3,518,180)	(368,954)
Shares issued for acquisition of the tangible personal property of Icelounge.com, Inc. at \$0.50 per share	70	-	350,000			350,000
Net loss for the year					(994,584)	(994,584)
Bal, Dec 31 2007	4,396	1	3,499,225	-	(4,512,764)	(1,013,538)
Net loss for the year					(170,722)	(170,722)
Bal, Dec 31 2008	4,396	1	3,499,225	-	(4,683,486)	(1,184,260)
Net loss for the year					(95,211)	(95,211)
Bal, Dec 31, 2009	4,396	1	3,499,224	-	(4,778,697)	(1,279,472)
Shares issued for service Jan 5, 2010 at \$0.01	600	0	60,000			60,000
Shares issued for service April 16, 2010 at \$0.001	300,000	75	29,925			30,000
Shares issued for debt June 16, 2010 at \$0.001 Series A Convertible Preferred Stock issued for debt June 16, 2010	424,532	106	42,347			42,453
Conversion of Series A Preferred Stock July 15, 2010	(119,667)	(30)	119,667	30	(0)	-

Conversion of Series A Preferred Stock								
December 20, 2010	(65,000)	(16)	65,000	16	0			-
Net loss for the year							(339,275)	(339,275)
Bal. December 31, 2010	239,865	60	571,163	143	3,639,626	-	(5,117,972)	(1,478,143)
Conversion of Series A Preferred Stock								
February 28, 2011	(750)	-	750	-				-
Conversion of Series A Preferred Stock								
June 9, 2011	(40,000)	(10)	40,000	10				-
Shares issued for acquisition of Alpha Dynamic								
December 12, 2011 at \$0.2 per share			5,000,000	1,250	998,750			1,000,000
Shares issued for acquisition of Alpha Card								
December 12, 2011 at \$0.05 per share			10,000,000	2,500	497,500			500,000
Shares issued for funding								
December 12, 2011 at \$0.075 per share			40,000,000	10,000	2,990,000	(3,000,000)		-
Net loss for the year							(219,717)	(219,717)
Bal. December 31, 2011	199,115	50	55,611,940	13,903	8,125,876	(3,000,000)	(5,337,689)	(197,860)
Conversion of Series A Preferred Stock								
January 4, 2012	(55,000)	(14)	5,500,000	1,375	(1,361)			-
Conversion of Series A Preferred Stock								
January 20, 2012	(60,500)	(15)	6,050,000	1,512	(1,497)			-
Conversion of Series A Preferred Stock								
June 6, 2012	(66,000)	(17)	6,600,000	1,650	(1,634)			-
Conversion of Series A Preferred Stock								
August 21, 2012	(17,615)	(4)	1,761,500	441	(437)			-
Net loss for the period							(184,587)	(184,587)
Bal. December 31, 2012	-	0	75,523,440	18,881	8,120,948	(3,000,000)	5,522,275	382,446

The number of shares issued and outstanding have been restated to give retroactive effect for reverse stock splits effective on October 28, 2005, on March 16, 2010 and on October 28, 2011 on a one for 100 basis. The par value and additional paid-in capital were adjusted during the year ended December 31, 2005 to adjust the par value amount in conformity with the number of shares issued.

The accompanying notes are an integral part of these financial statements

N I S Holdings, Corp. (formerly Associated Media Holdings Inc.)**Notes to Consolidated Financial Statements****(Unaudited)**Note I. General Development of the Business

NIS Holdings Corp. ("NIS Holdings" or "The Company" and formerly known as Associated Media Holdings Inc.) was incorporated under the laws of the state of Nevada on June 21, 2004.

On October 21, 2005, the Company changed its name to Associated Media Holdings Inc. and on March 16, 2010 the name was changed to N I S Holdings, Corp. to further develop and promote the Ignition Website and Trademarks (hereinafter, the "Intangibles") which focus on multi content for mobile and portable cellular devices. On this same day, the board of directors approved an increase in the authorized number of common shares of the Company from 25,000,000 to 100,000,000 and changed its par value from \$0.001 to \$0.00025. This change is reflected in these financial statements.

On June 15, 2010, the directors approved to change the authorized Preferred Shares of 100,000,000 into 90,000,000 Preferred Shares at \$0.00025 par value and 10,000,000 Class A Preferred Shares at \$0.00025 par value. Each class A Preferred Shares is convertible at the Holder's option to Common Shares at a ratio of one hundred shares of Common Stock for each share of Class A Preferred Stock.

On February 4, 2011, the Company acquired Alpha Dynamic Group, Inc. ("Alpha Dynamic"). Alpha Dynamic was incorporated in the State of New York on December 2, 2010 to engage mainly in the development and launch of an innovative loyalty card solution for small businesses. NIS Holdings acquired one hundred percent (100%) of the total issued shares of Alpha Dynamic's stock in exchange for the issuance of one promissory note in the principal amount of \$1 million to the sole shareholder of Alpha Dynamic. On December 12, 2011 this promissory note was converted into 5,000,000 restricted shares of NIS Holdings' common stock. As a result of this transaction, Alpha Dynamic became a wholly-owned subsidiary of the Company.

On June 22, 2011, the Company acquired Alpha Card Technology Inc. ("Alpha Card"). Alpha Card was incorporated in the State of New York on December 9, 2010 to engage in the development of gift card processing solutions. NIS Holdings acquired one hundred percent (100%) of the total issued shares of Alpha Card's stock in exchange for the issuance of one promissory note in the principal amount of \$500,000 to the sole shareholder of Alpha Card. On December 12, 2011 this promissory note was converted into 10,000,000 restricted shares of NIS Holdings' common stock. As a result of this transaction, Alpha Card Technology became a wholly-owned subsidiary of the Company.

The Company has yet to fully develop any material income from its stated primary objective and it is classified as a development stage company. All income, expenses, cash flows and stock transactions are reported since the beginning of development stage.

These financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. At December 31, 2012, the Company has not yet achieved profitable operations, has accumulated losses of \$5,522,275 since inception and expects to incur further losses in the development of its business, of which cast substantial doubt about the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon the amount of growth in its revenues from consumer acceptance of Earn IQ card, the number of the retailers who will agree to join the Earn IQ network and/or the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management has obtained funds by related party's advances and will receive additional funds from Global Stock Investments Ltd.

Note 2. Significant Accounting Policies

These financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America and are stated in US dollars. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgment. Actual results may differ from these estimates.

The financial statements have, in management's opinion, been properly prepared within the framework of the significant accounting policies summarized below:

(a) Development Stage Company

The Company is a development stage company. The Company is devoting substantially all of its present efforts to establish a new business and none of its planned principal operations have commenced. All losses accumulated since inception have been considered as part of the Company's development stage activities.

(b) Principles of Consolidation

The accompanying condensed consolidated financial statements include the accounts of Alpha Dynamic Group Inc. and of Alpha Card Technology Inc., the Company's wholly-owned subsidiaries. All significant inter-company transactions have been eliminated.

(c) Financial Instruments

The carrying values of cash, accounts receivable, accounts payable, promissory notes payable and due to related parties approximate fair value because of the short-term nature of these instruments. Management is of the opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

(d) Stock Issued in Exchange for Services

The valuation of common stock issued in exchange for services is valued at an estimated fair market value as determined by officers and directors of the Company based upon other sales and issuances of the Company's common stock within the same general time period.

(e) Stock-based Compensation

Financial Accounting Standards Board ("FASB"), Accounting Standards Codification ("ASC") 718 "Stock Compensation" requires public companies to recognize the cost of employee services received in exchange for equity instruments, based on the grant-date fair value of those instruments, with limited exceptions. FASB ASC 718 "Stock Compensation" also affects the pattern in which compensation cost is recognized, the accounting for employee share purchase plans, and the accounting for income tax effects of share-based payment transactions. For small business filers, FASB ASC 718 "Stock Compensation" is effective for interim or annual periods beginning after December 15, 2005. The Company adopted the guidance in FASB ASC 718 "Stock Compensation" on October 1, 2007.

(f) Basic and Diluted Loss Per Share

The Company presents of both basic and diluted earnings per share ("EPS") on the face of the income statement. Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of common shares outstanding during the year. Diluted EPS gives effect to all dilutive potential common shares outstanding during the year including stock options, using the treasury stock method, and convertible preferred stock, using the if-converted method. In computing diluted EPS, the average stock price for the year is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential common shares if their effect is anti-dilutive. As of December 31, 2012 there were not potentially dilutive shares relating to the outstanding convertible preferred stock.

(g) Income Taxes

The Company uses the assets and liability method of accounting for income taxes pursuant to FASB ASC 740 "Income Taxes". Under the asset and liability method of FASB ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

(h) Recently Issued Accounting Pronouncements

Management does not believe that any other recently issued, but not yet effective, accounting standard if currently adopted would have a material effect on the accompanying financial statements.

Note 3. Common Stock

On January 4, 2012 the Company converted 55,000 Class A Preference Shares into 5,500,000 common shares at a rate of \$0.00025 each.

On January 20, 2012 the Company converted 60,500 Class A Preference Shares into 6,050,000 common shares at a rate of \$0.00025 each.

On June 6, 2012 the Company converted 66,000 Class A Preference Shares into 6,600,000 common shares at a rate of \$0.00025 each.

On August 21, 2012 the Company converted 17,615 Class A Preference Shares into 1,761,500 common shares at a rate of \$0.00025 each.

Note 4. Intangible Assets

Intangible assets consist of patent and trademark costs. Patent costs are costs incurred to develop and file patent application. Trademark costs are costs incurred to develop and file trademark applications. If the patents or trademarks are approved, the costs are amortized using the straight-line method over the estimated lives of 7 years for patents, 5 years and 10 years for trademarks.

Amortization expenses for the years ended December 31, 2012 and 2011 was \$9,492 and \$83,600 respectively in each period. Unsuccessful patent and trademark application costs are expense at the time the application is denied.

Through the issuance of 40,000,000 restricted common shares valued at \$10,000, the Company acquired exclusive license rights to the Intangibles which consist of a website and the Ignition trademarks, and these are amortized over a period of 10 years. Through the issuance of 700,000 restricted common shares valued at \$350,000 and \$63,000 cash, the Company acquired the Intangibles of icelounge.com, Inc. which consist of a website, databases and proprietary software, and these are amortized over a period of 5 years. In accordance with FASB ASC 350, "Intangibles - Goodwill and Other" purchased intangibles with finite lives are amortized and reviewed for impairment on an annual basis, which is completed during the fourth quarters of 2012 and 2011 and no impairment was recognized. The useful lives of the Intangibles have been determined by management based upon the expected use of the asset by the Company which is determined to be 5 years and 10 years. The Company recognizes amortization of the Intangibles on a monthly basis. Management assesses the carrying values of long-lived assets for impairment when circumstances warrant such a review. In performing this assessment, management considers current market analysis and appraisal of the technology, along with estimates of future cash flows. The Company recognizes impairment losses when undiscounted cash flows estimated to be generated from long-lived assets are less than the amount of unamortized assets. There were no unsuccessful and abandoned patents and trademarks expensed in 2012 and 2011.

Note 5. Subsequent Events

The Company has evaluated subsequent events through March 15, 2013 and has determined that there were no additional subsequent events to recognize or disclose in these financial statements.