



# **NIZARI** PROGRESSIVE FEDERAL CREDIT UNION

Investing In Your Future

# Annual Report 2016





# Board of Directors



**Naushad Kermally**  
Chairman



**Malik Jamal**  
Vice Chairman



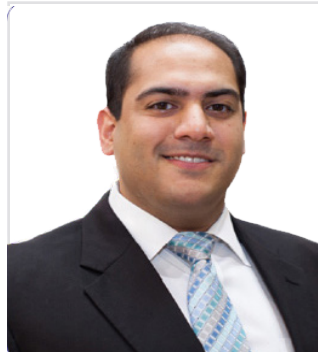
**Naveed Ali**  
Secretary



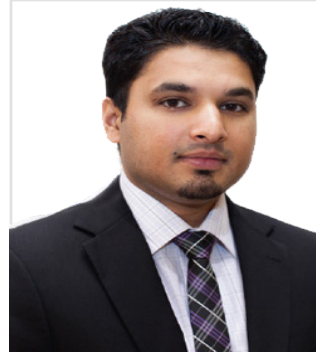
**Shaukat Jaffer**  
CEO



**Gulam Mohammad  
Nanjee**  
Director



**Rafiq Dhanani**  
Director



**Imran Ali**  
Director



**Sajjad Mussani**  
Director



**Amin Lakhani**  
Director



**Mahsooma Aziz**  
Director

# Message from CEO

Dear Valued Nizari Members,

2016 was an outstanding year for Nizari Progressive Federal Credit Union. In the area of financial performance, we are pleased to report that the Credit Union ended the year with \$1.525 million in net income compared to \$1.492 million for 2015. Fulfilling our mission to provide credit to the membership, our loan balances finished the year at \$99 million, an increase of \$11.412 (13%) million in loans over 2015. This is quite an accomplishment. Our considerable growth in consumer lending is focused largely on consumer loans and is attributed to our competitive rates and smooth process in place for everyone. While we enjoy providing you with the convenience of pre-approval for collateralized loans before you shop, you may also walk into the advantage of our great rates and an efficient process.

Having a solid financial footing is always important for our cooperative as it makes the credit union sustainable and creates more room for growth. The year 2016 was one of significance as the budgeted targets were met, which is important given the ever-changing competitive environment and the need to invest and reinvest in new and emerging technologies. Changes in the financial landscape demand careful thought and planning, and the management team, along with the Board of Directors, discuss strategies and ways to improve the Credit Union each and every month. As part of our strategy to expand outreach services, a full-service branch in Austin will be operational soon. Nizari's educational program on home buying and other services in different regions will be strengthened further to create awareness about Nizari.

Growth is about more than numbers. It's about new products and programs that help our members achieve more. It's about personal development and increased morale. It's about treating our 11,000th member with the same level of care and respect as we did our 100th member. Most of all, it's about you and our community. With ever-growing membership with the Credit Union and many loyal members expanding their relationship with Nizari, we have seen immense growth over the years. One of the main reasons why members choose to do their banking at Nizari PFCU is because of the personal attention we offer to every individual. This unique experience can only be attained with a staff that truly cares about our members, the Credit Union, and the privilege of helping members and our community. With the ongoing training and development, Nizari PFCU will continue to foster the personal and professional growth of all of our employees.

We work diligently every day to ensure the safety, soundness, and regulatory compliance of Nizari, whether it's implementing the latest electronic security tools, training our staff, or making lending and investment decisions. These efforts would not be possible without the support, dedication, and oversight of our Board of Directors for whom we remain ever grateful. I am equally appreciative of the expertise and commitment of our talented staff; we thank them for their diligence and hard work this past year. We also want to express our gratitude to you, our loyal members, and your families and friends for your continued support and use of the Credit Union's products and services. We continue to collaborate with EPB and Education Board for various programs benefiting Jamati members and make monetary contributions towards community initiatives.

We are here to serve you, and we want to hear your feedback on how we are doing as we are not perfect and there is always a room for improvement. Since our founding in 1990, Nizari Progressive Federal Credit Union has demonstrated its commitment to providing members with exceptional service, outstanding value, and a comprehensive array of products and services. We strive to continue our quest for excellence in delivering on our shared values of caring, trust, and dependability. With our most valuable resource in place, the nurturing spirit in the air, and the support of members like you, your Nizari Progressive Credit Union is poised for another excellent year.

Sincerely,  
Shaukat Jaffer, CEO



Shaukat Jaffer  
CEO

# Message from Chairman

Dear Valued Nizari Members,

With great pleasure, I report to our Members that 2016 proved to be an exceptionally successful year for Nizari Progressive Federal Credit Union. We continued to grow on all fronts allowing us to exceed our goals for membership, deposits, and loans. Nizari started as a cooperative society 28 years ago, and today secures assets in excess of 130 million (as of the year end 2016).

We achieved this milestone by working together as a team, for our members. We continue to listen to what you need and require from your Credit Union. With that objective in mind, we focused on creating efficiencies to improve member service and capitalized on our core strengths in lending. It's the foundation of our success and our promise to our Members.

It has been an exciting journey and we say **THANK YOU** to our members for their contribution, in our achievement. I was given the privilege to be the Chair of the Nizari PFCU Board in April 2015 and have witnessed several milestones throughout the year. Below are a few of these:

- » *You wanted an easy and fast way to get a loan, so we launched the NO DOC/Signature loan, in which you can apply for a loan quicker than it takes to get a pizza delivered.*
- » *The growth of our MSB accounts, where other banks are downsizing the product we have grown, helping the C-Store owners.*
- » *Launch of a new Mobile App, to give you the freedom of banking from your smartphone.*

Our endeavor has been to assist our members by providing options to meet their specific needs; lending or deposit products. Our competitive rates, personalized service, and technology upgrades are designed keeping in mind the needs of our members. We also actively contribute to endeavors made by our Local Council and other Jamati institutions. We will continue to build our relationship with various Trade Associations, to help our members achieve their personal financial goals.

On the financial side, we have had an extremely successful year, and our loan portfolio has grown and diversified. Our total Closed-end loans disbursement was \$46.3mm which is over 17% growth, and our total loan portfolio at the end of the year 2016 was \$99 million. We raised our dividends and paid out a total of \$729k to our members during 2016. Our delinquency rate was low, at only 0.14% while the industry standard is 0.92%. All these numbers are indicative of the efforts that have been put in to streamline processes, align policies with our vision, and investing in the training of staff and management.

I wish to express my appreciation to our CEO, his management team, and the entire staff for all their hard work and dedication to the Credit Union, and its members. I also wish to take this opportunity to commend the Board of Directors who come from all walks of professions; from IT, legal, business entrepreneurs, and young educated professionals, who have served their time and knowledge to improve Nizari PFCU. We thank you, our members and appreciate your loyalty with us. With your support we will continue to improve our service, introduce new products, and bring you the latest technology to improve your banking experience with us. We recently launched the Nizari Mobile App. We are positive that this feature, and our other products and services will encourage you to make Nizari PFCU your primary financial institution.

As 2017 is our 26th year of serving you, we promise that the Board, the Management team, and the staff will continue to strive to make your banking experience easy, convenient, and fantastic.



Naushad Kermally  
Chairman

# Supervisory Committee Report

The Supervisory Committee is responsible for the oversight of the Credit Union's operations. It monitors the activities of the management and ensures that the Credit Union is in compliance with its internal policies and regulations set forth by governmental agencies. Further it is responsible for financial statement review, performing member account verifications, and ensuring internal controls are in place, to establish compliance with Credit Union polices and governmental regulations.

As per NCUA Rules & Regulations, Supervisory Committee retained an Independent Accounting Firm to review the Credit Union's records for twelve months period ending December 31, 2016. This year the required annual review, as in the past, was performed by Credit Union Resources, Inc.

The Audit was performed in accordance with requirements set forth in Section 7157(c). of the NCUA Rules & Regulations. The Report from Credit Union Resources, Inc. found no material exception to Nizari Credit Union operations.

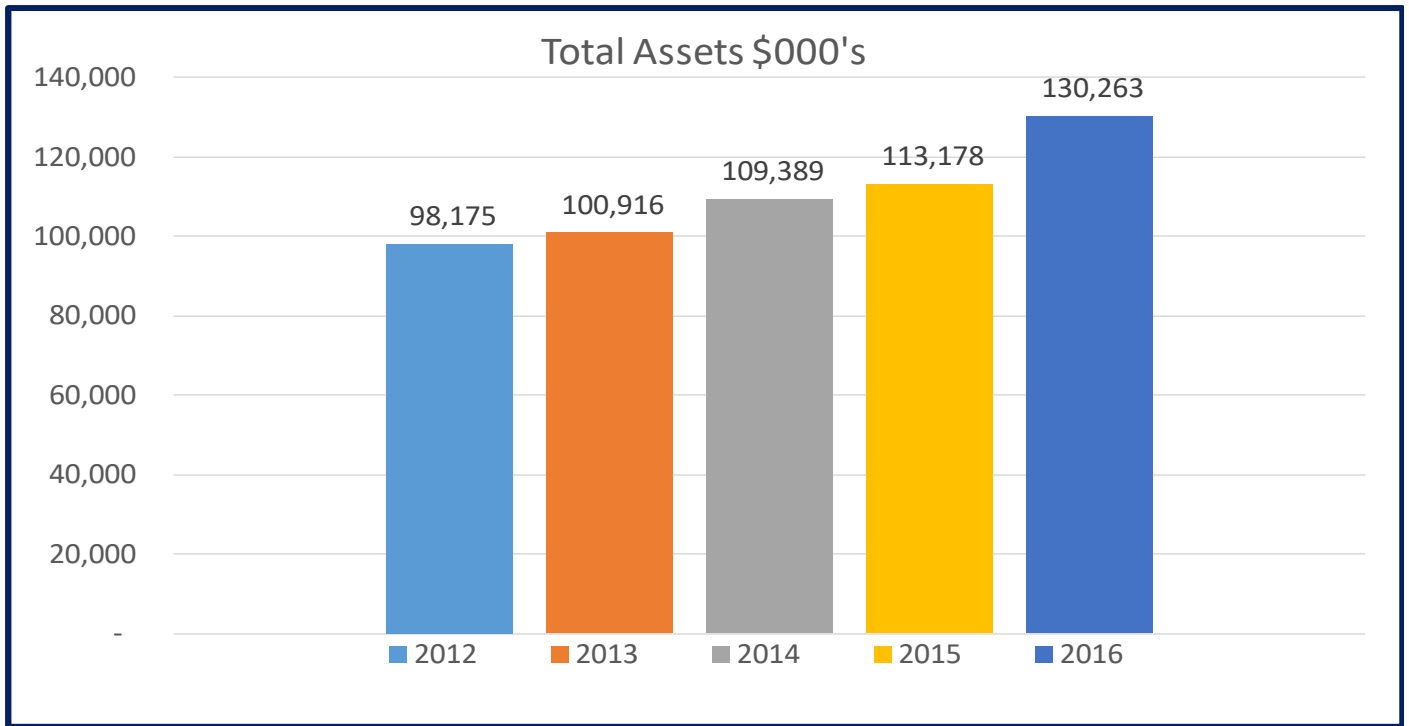
Based on the Report from the Independent Auditors, as a result of the Review of the Operations of the Credit Union, we feel comfortable in stating that the Annual Financial Statement is a good reflection of the Credit Union's state and its financial strength.



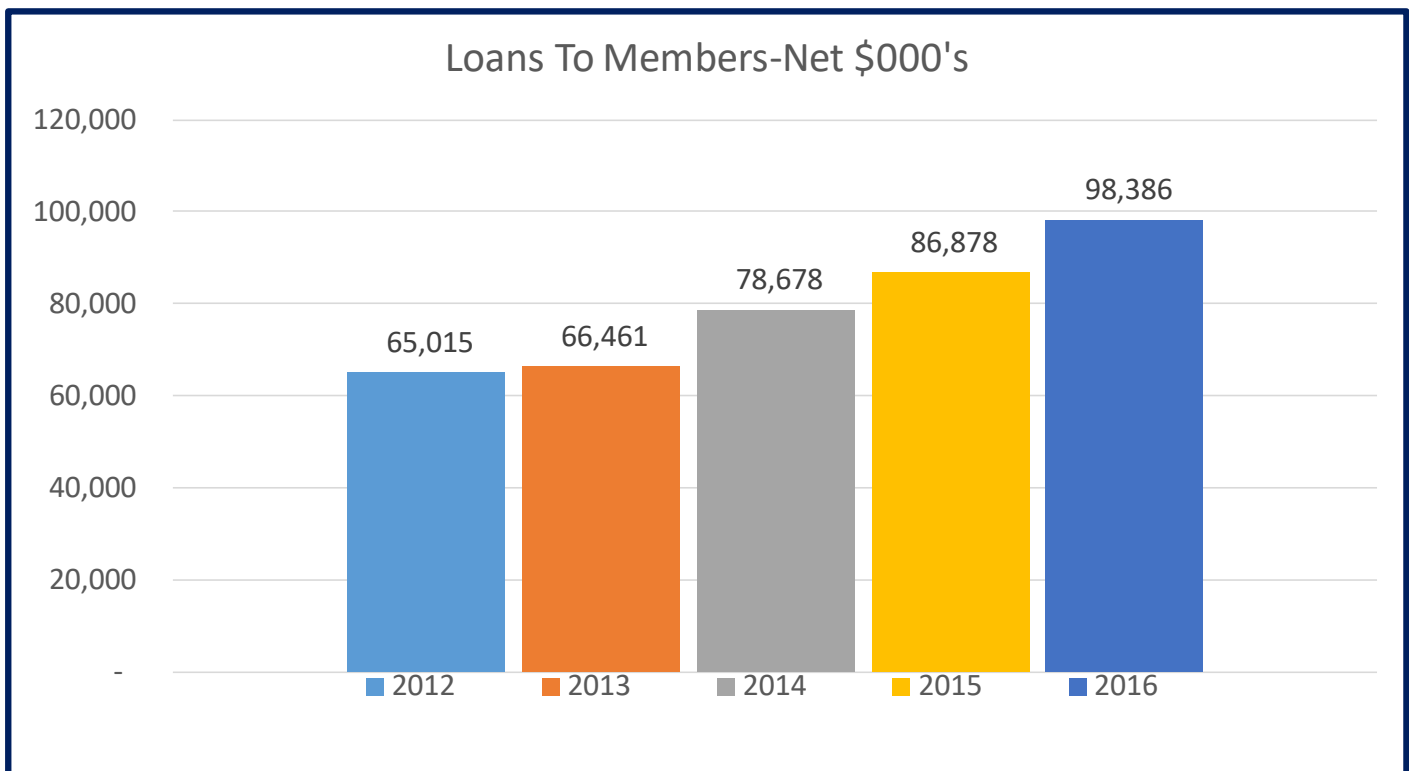
Gulam Mohammed Nanjee,  
Chairman, Supervisory Committee

# Financial Statement

	DEC 31, 2016	DEC 31, 2015
Loans to Members	99,401,396	87,983,052
Less: Allowance for Loan Loss	(1,015,574)	(1,104,862)
<b>Total Loans</b>	<b>98,385,822</b>	<b>86,878,190</b>
Cash in hand and at Bank	6,457,250	12,265,198
Investments	20,196,914	10,339,817
Advance, Deposits & Prepayments	1,571,100	1,199,706
Advance For Capital Expenditure	-	32,894
Property, Equipment & Furniture	3,902,274	2,825,353
Less: Accumulated Depreciation & Amortization	(861,732)	(853,449)
<b>Net Fixed Assets</b>	<b>3,040,542</b>	<b>1,971,904</b>
Accrued Interest on loans & investments	610,952	490,417
<b>Total Assets</b>	<b>130,262,580</b>	<b>113,178,126</b>
Payable & Accrued Liabilities	1,402,155	1,452,208
Members' Shares and Deposit	111,428,642	95,308,129
Unrealized (Loss)/Gain on Investments	(511,219)	525
Regular and Specific Reserve	5,602,900	5,602,900
Undivided Earnings	12,340,102	10,814,364
<b>Total Equity</b>	<b>17,431,783</b>	<b>16,417,789</b>
<b>Total Liabilities and Equities</b>	<b>130,262,580</b>	<b>113,178,126</b>
<b>STATEMENT OF OPERATIONS FOR THE YEAR ENDED</b>		
Operating Income	<b>5,739,535</b>	<b>5,417,196</b>
Operating Expenses:		
Expenses	3,434,728	3,286,405
Provision for Loan Losses	80,000	145,000
<b>Total Operating Expenses</b>	<b>3,514,728</b>	<b>3,431,405</b>
<b>Income from Operations</b>	<b>2,224,807</b>	<b>1,985,791</b>
Non-Operating income	30,262	100,243
Dividend Paid to Members	(729,331)	(593,786)
<b>Net Income</b>	<b>1,525,738</b>	<b>1,492,248</b>



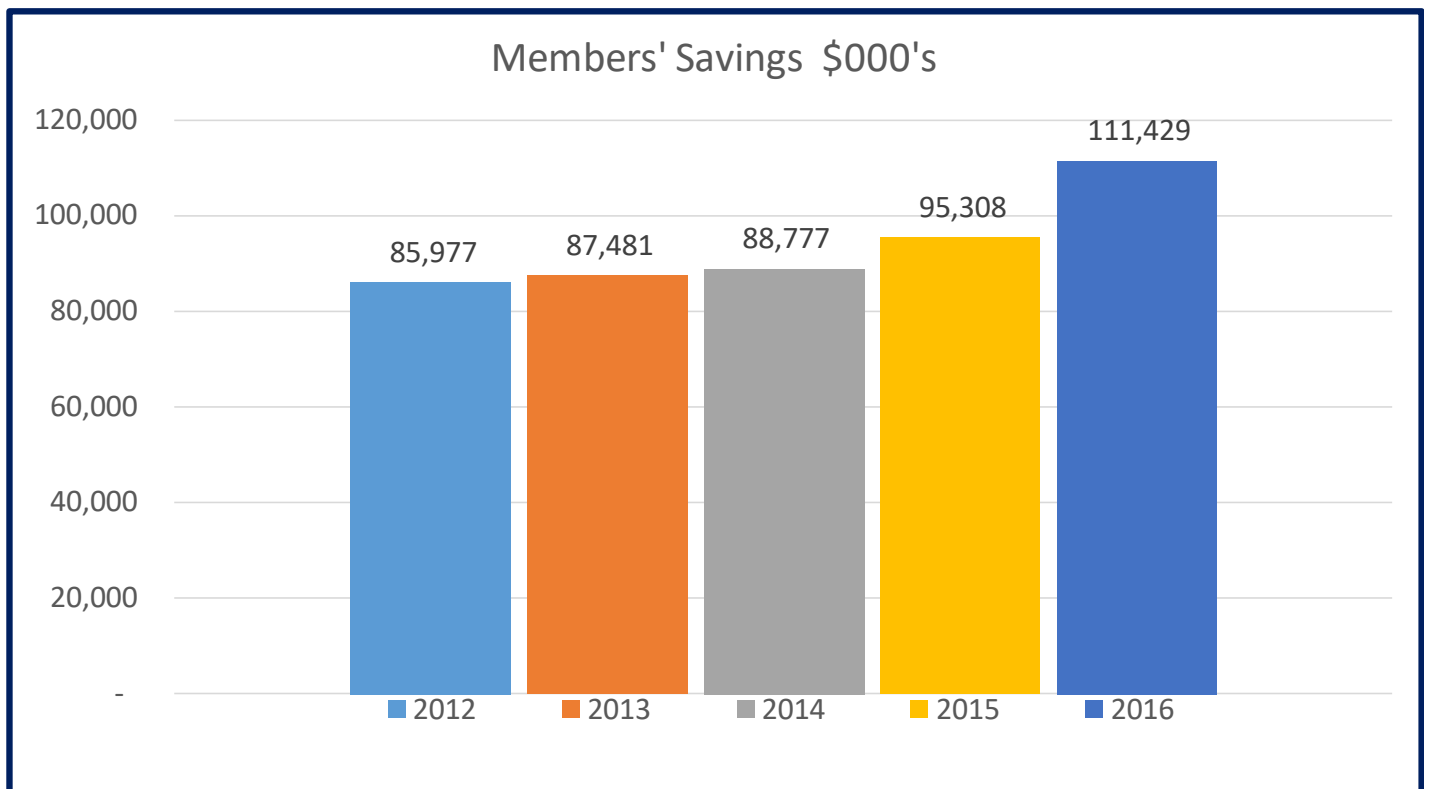
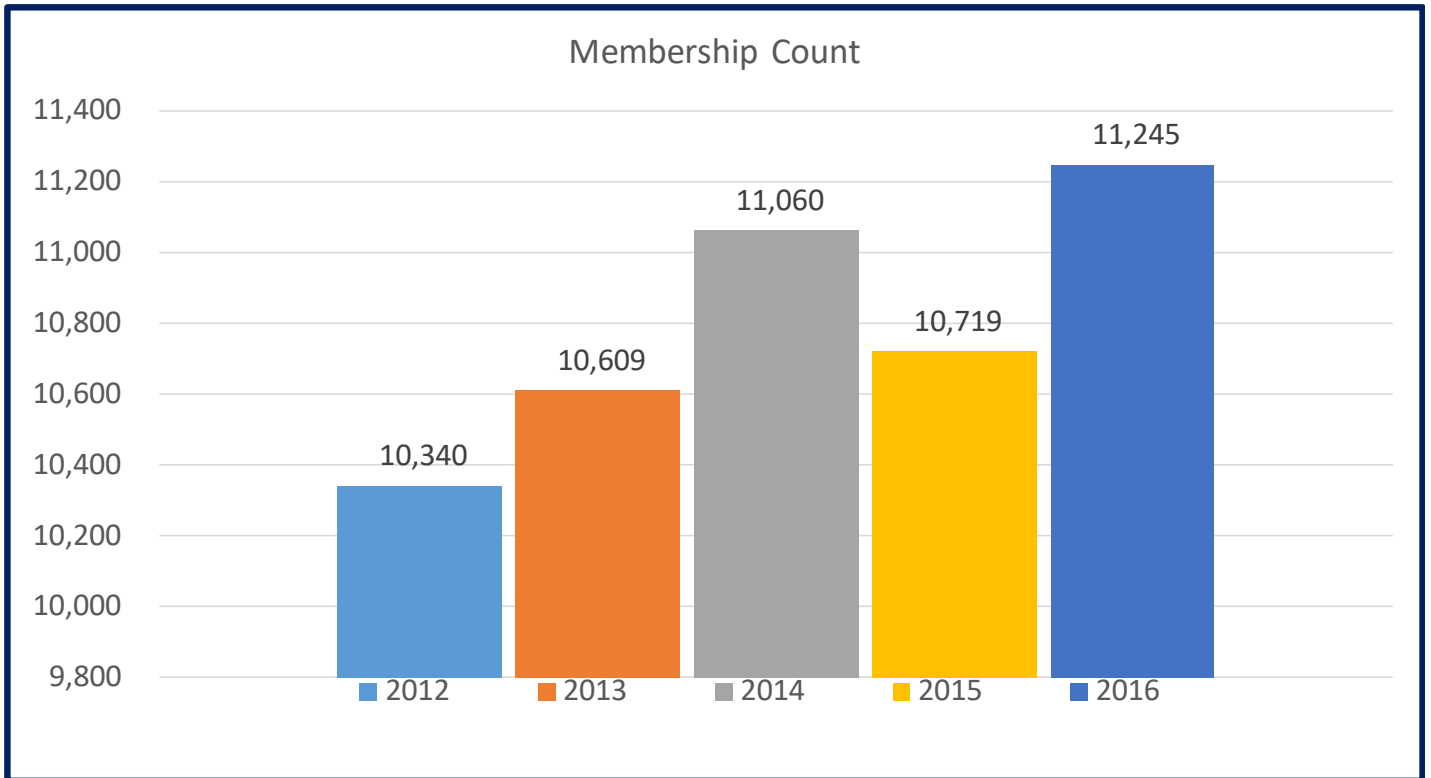
*Asset growth of  
over **15%***



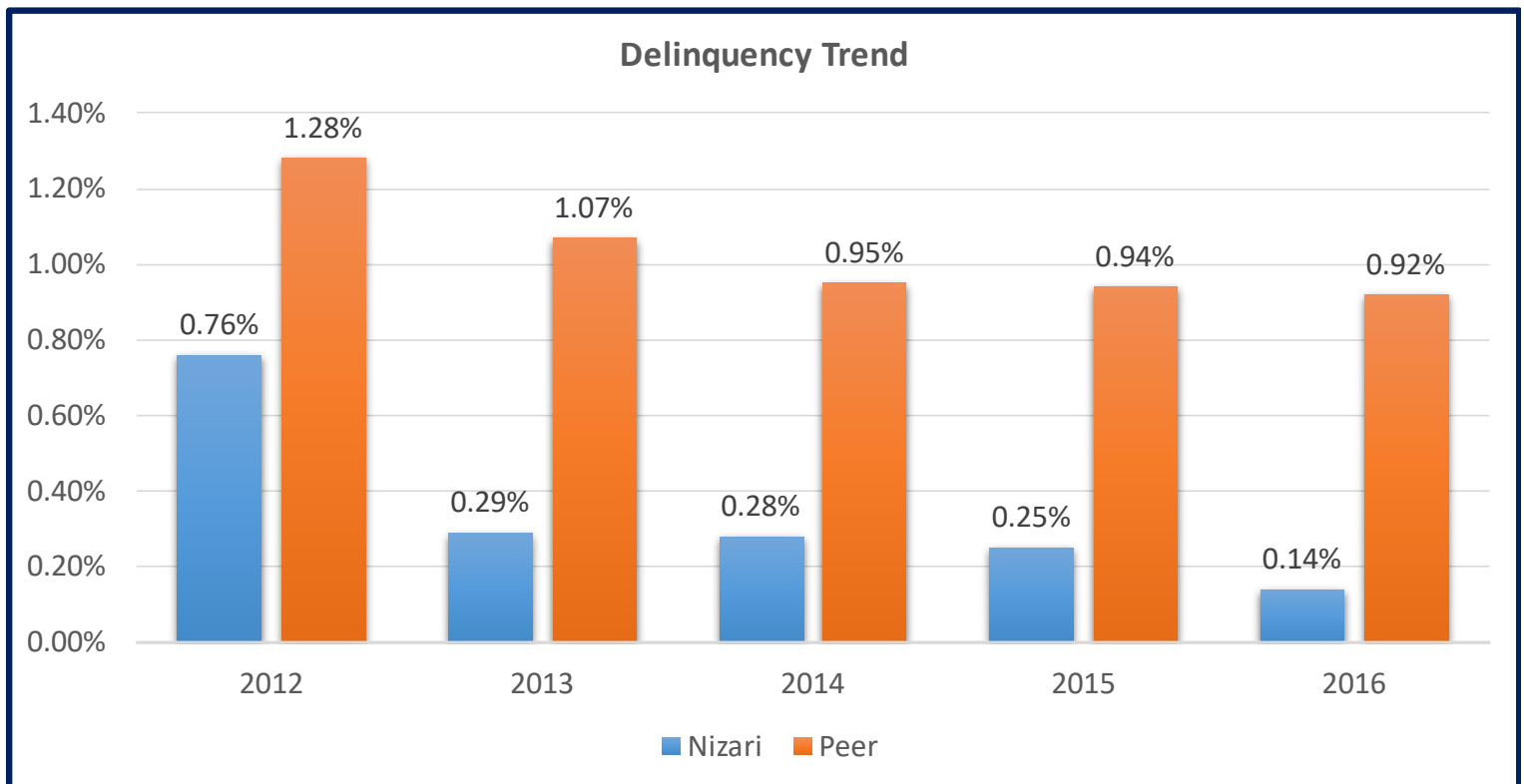
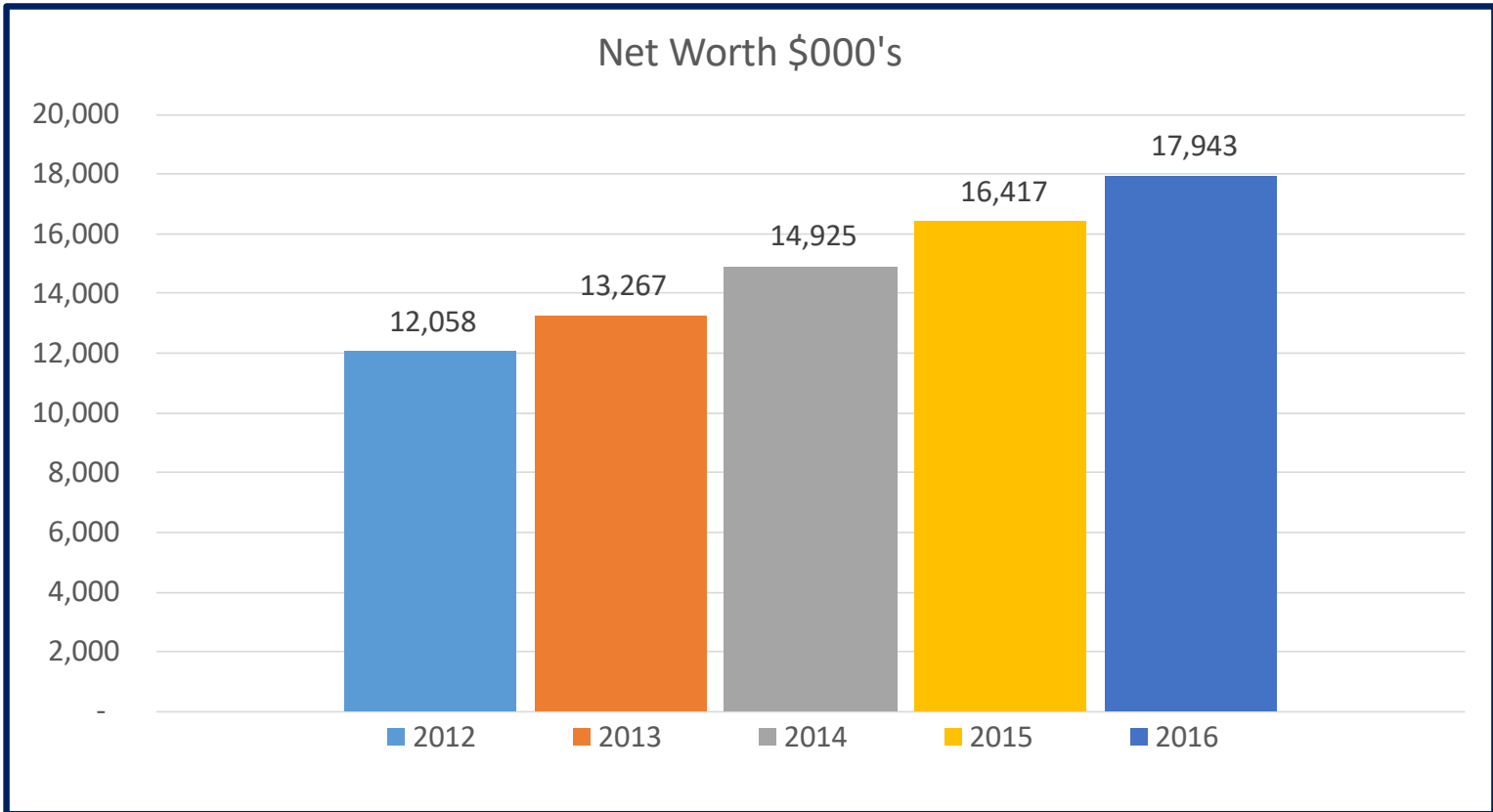
*Loan growth  
of over **13%***



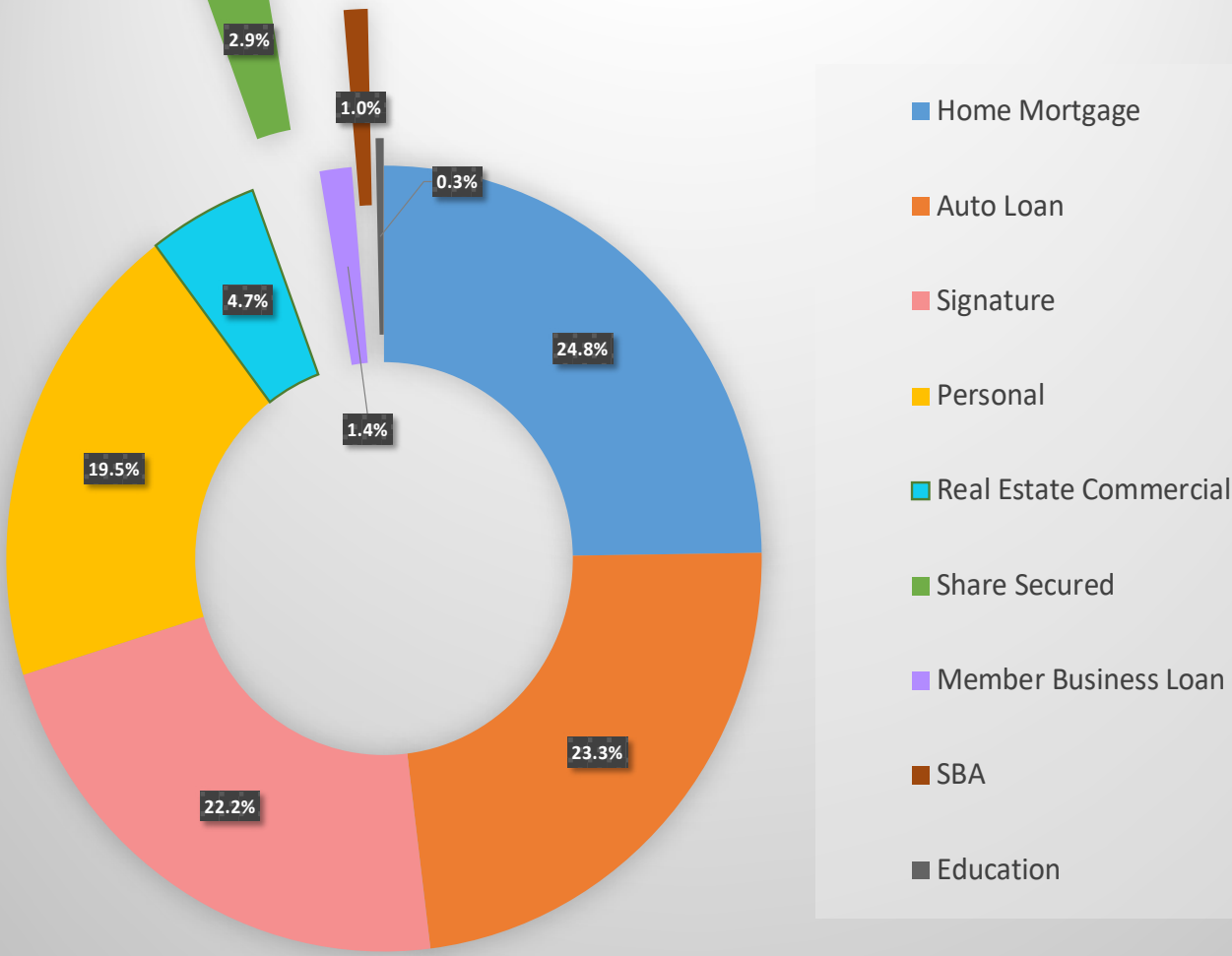
*Our financial standing is a true measure of our most valuable and intangible asset of all – **our members.***



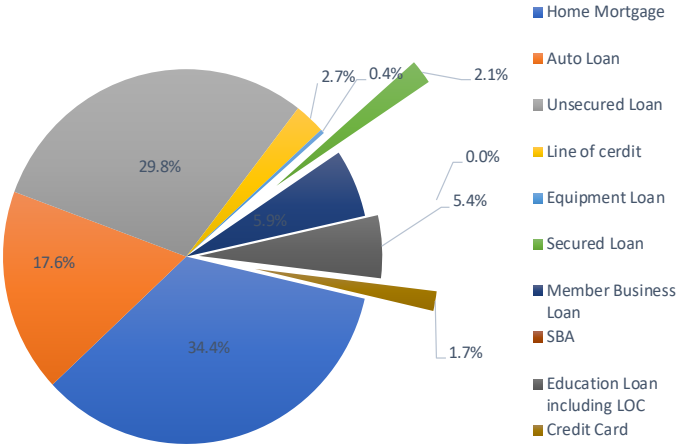
*Making a difference with excellent service by building meaningful relationships and providing innovative financial solutions.*



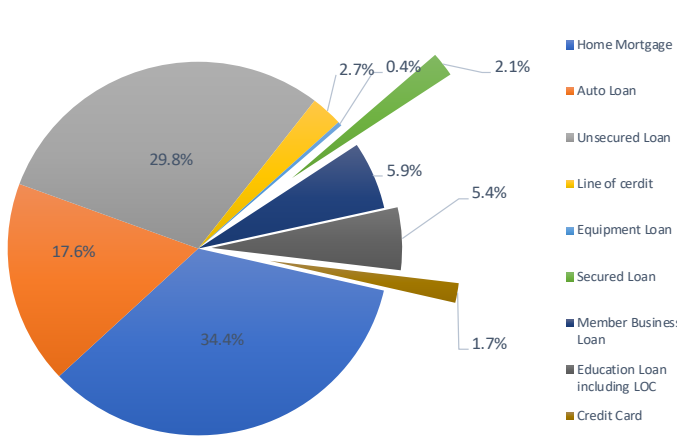
### Total of Closed-End Loans Disbursement \$46.2M



Total Loan Portfolio as of December 31, 2016 - \$99.4M



Total Loan Portfolio as of December 31, 2015 - 87.9M



# New Products/Services Launched

## Money Service Business (MSB) Checking Account

At Nizari PFCU, we welcome your Money Service Business (MSB) checking accounts by providing dedicated resources to service your needs.

 Scan checks using RDC (Remote Deposit Capture)

 Receive cash safely through Loomis

 Access FREE online, telephone, and text banking



### Limited Time Offer

**\$300 Bonus Cash**

**\$49 Monthly Fee (First 6 Months)\***

**\$5 Returned Check Fee**

**\$0.12 Per Check Deposited Fee**

Bonus cash may be reported on 1099-MISC. \*The \$49 promotional monthly fee will be charged for six months after the account is opened and is only valid for new MSB accounts opened during the promotional period. The regular \$99 monthly fee will apply after six months. We will deposit the bonus cash in your account within 30 days of account opening provided you meet all other requirements. Account Closing: If the account is closed by the member or Nizari PFCU within six months after opening, we will deduct the bonus amount for that account at closing. All other fees and charges are applicable. Terms & conditions apply. Limited time offer subject to change without notice.

## LOW DOC / NO DOC LOANS

Your Search For Easy Money Stops Here...

**Borrow up to \$30,000\***

For a limited time Nizari PFCU is offering Personal loans without guarantors. Minimum or no supporting documents may be required for qualified borrowers. Same day approval in most cases!



\*Limited time offer subject to change without notice. Terms & Conditions apply.



## Small Business Loans and Commercial Real Estate

**Borrow up to \$5,000,000**

Loans are used to finance business purchases such as:

- Equipment or vehicles
- Expansion or renovation
- Lump-sum working capital
- Real estate purchase or refinance

Competitive Rates

No Balloon Payments

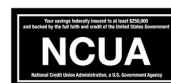
No Origination Fee

Personalized Service

[www.nizaricu.org](http://www.nizaricu.org)  
[info@nizaricu.org](mailto:info@nizaricu.org)



**Contact Us Today:**  
**(281) 921-8500**  
or  
**(972) 808-7688**

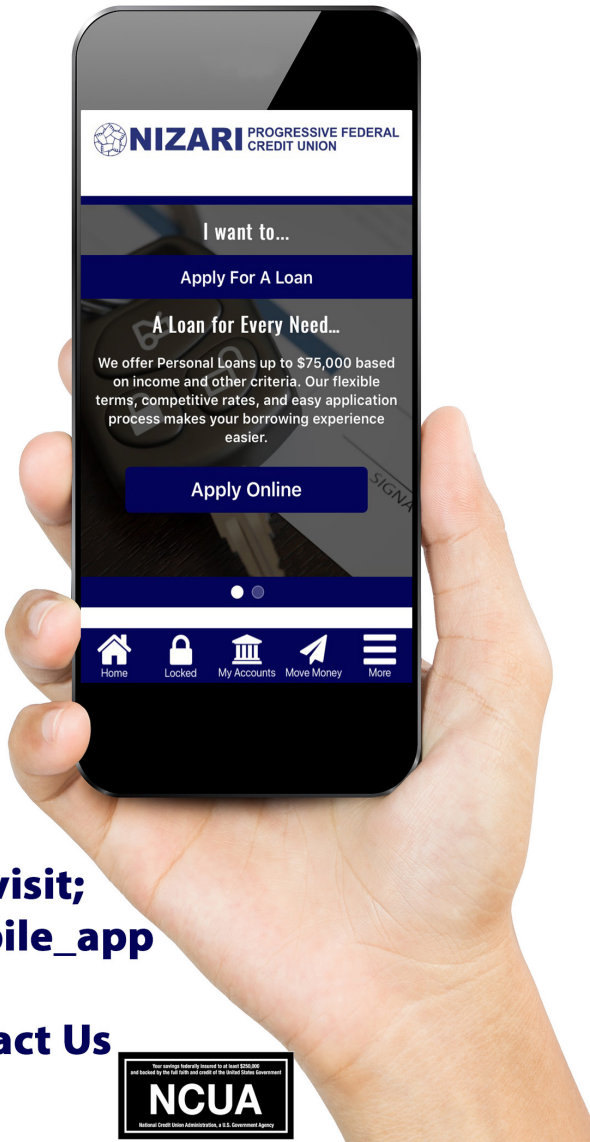




# MOBILE BANKING NOW AVAILABLE

## DOWNLOAD OUR APP TODAY!

- Remotely deposit checks 24/7
- View Balances
- Pay monthly bills
- Apply for loans
- Stay up to date with your account info
- Transfer funds to other Nizari accounts
- And much more...



Scan to download, or visit;  
[www.nizaricu.org/mobile\\_app](http://www.nizaricu.org/mobile_app)

Have a question? Contact Us  
(281) 921-8500



# Investing In Your Future



**Board of Directors, Management, and Staff were pleased to be part of Aga Khan Foundation Walk 2016.**



PANDA ROOM  
3  
THROUGH THE GENEROSITY OF  
NIZARI PROGRESSIVE  
FEDERAL CREDIT UNION

**Chairman Naushad Kermally, along with the Board of Directors, proudly receiving the award from President Murad Ajani, at the Ibn Sina Foundation’s Ribbon cutting ceremony of the New Children’s Clinic Rooms Opening.**





**Chairman Naushad Kermally represented Nizari PFCU in San Jose, CA. We were proud to be the Golden Sponsor for the 2016 IPN Launch Pad.**





**Nizari PFCU Board was pleased to acquire a new full-service branch in Austin, Texas. The new premises is located at 12730 Research Blvd., Austin, TX 78759. We look forward serving you at our new branch with the same quality and service you expect of us. We will commence operations in Summer 2017.**

# Members' Testimonials

"Sairoz and Sonya they both took care of the auto loan very professional with great customer services. The time frame in which was approved was very fast.

I would recommend them to others!"

***Ali Dattoo***

"Team at Dallas branch is phenomenal! Very helpful and are very interested in helping our brothers and sister in any way possible. Nafisa Aziz was especially very good with follow ups and explaining why she needed to get things done. Highly recommend them for your banking needs!"

***Imran H Lalani***

"Best customer service experience I ever had!! Naseem, Nafisa and Shazmeen are all very professional and helpful. Naseem has especially given me great advice on all my financial needs. Thank you so much Nizari bank Dallas for all your help and support."

***Parvez Budhwani***

"Always amazing service. Love doing business with this remarkable institution!"

***Nadeem Damani***

"Till now I never realized that I am part of such a great community and the Moto 'ISMAILI HELPING ISMAILI' was so effective and powerful 9 years ago. I went to BOA to apply for a loan of only \$2000. They asked a mountain high list of papers I got frustrated came to NIZARI they gave me a loan of \$5000 w/o a guarantor. Last week this ISMAILI BROTHER of yours was approved for huge line of credit LOC. All the employees were great as usual and helpful as ever. Ms. Sonya prepared the application and presented to Ms. Rozina. There were some reservations but together we sat and the issues were resolved in 2 days. Thanks everybody for all the help. ISMAILI ZINDABAD NIZARI PAINDABAD. Thanks again all the directors, CEO and entire team of the employees. Together we stand Divided we fall"

***Nadir Hemani***

# Products/Services Offered



## Loans

- Personal loans
- Business loans
- SBA loans
- Personal lines of credit
- Business lines of credit
- Equipment loans
- Home mortgage loans
- Personal credit cards
- Business credit cards
- Auto loans – New & Used
- Student loans
- Low Doc Loans
- No Doc Loans
- Student loans - debt consolidation

## Services

- Online banking
- Text banking
- Phone banking
- Remote deposit capture
- GAP Insurance
- Cash delivery service
- Shared branching
- E-statements
- Bill pay
- Nizari Mobile App

## Accounts

- MSB accounts  
(check cashing accounts)
- Savings accounts
- Personal checking accounts
- Business accounts
- College saving accounts
- IRA accounts
- Share certificate accounts

# The Team

## Senior Management



**Shaukat Jaffer**  
CEO



**Naseem Kheraj**  
Associate Director

*“If you want one year of prosperity, grow grain. If you want 10 years of prosperity, grow trees. If you want 100 years of prosperity, grow people”  
- Chinese Proverb*

## Management



**Rozina Rasiyani**  
Senior Lending Manager



**Sohail Shahabuddin**  
Accounting Manager



**Mikdad Momin**  
Branch Manager



**Afsha Ali**  
HR Manager



**Amber Virani**  
Marketing Manager



**Hamidah Khorashi**  
Operations Supervisor

# Corporate Office



**Ali M Khowaja**  
IT Coordinator



**Ali Virani**  
Senior Operations Officer



**Anis Alwani**  
Operations Officer



**Eeman Lotia**  
Collector



**Najmina Badarpura**  
Compliance Associate



**Sahina Maredia**  
Compliance Associate



**Enayatullah Sultani**  
Staff Accountant



**Nikita Maknoja**  
Administrative Assistant

# Dallas Branch



**Nafisa Aziz**  
Senior Member  
Services Coordinator



**Shagufta Hirani**  
Member Services  
Representative



**Shamsa Hakani**  
Financial Services  
Representative



**Shakil Shermohmad**  
Financial Services  
Representative

## Sugar Land Branch



**Binish Jasani**  
Senior Loan Officer



**Azeem Virani**  
Loan Officer



**Sairoz Momin**  
Financial Service  
Representative II



**Glenn D'Souza**  
Business Loan Processor



**Sonya Maredia**  
Financial Service  
Representative



**Firuz Shukrikhudoev**  
Loan Coordinator



**Malik Kherani**  
Member Services  
Coordinator



**Shermeen Ali**  
Member Services  
Representative



**Roohi Maknojia**  
Teller



**Azeem Shroff**  
Teller



**Adnan Lakhani**  
Business Development  
Representative, Austin Branch

**Your savings federally insured to at least \$250,000  
and backed by the full faith and credit of the United States Government**

# **NCUA**

**National Credit Union Administration, a U.S. Government Agency**





# NIZARI PROGRESSIVE FEDERAL CREDIT UNION

Sugar Land Main Branch  
11770 University Blvd  
Sugar Land, TX 77478  
Tel: (281) 921 - 8500  
Fax: (281) 921 - 8550

Dallas Branch  
2548 Dickerson Parkway, Suite 106  
Carrollton, TX 75006  
Tel: (972) 808 - 7688  
Fax: (972) 466 - 2200

Austin Branch  
5555 North Lamar Blvd, Suite H101A  
Austin, TX 78751  
Tel: (512) 450 - 1401  
Fax: (512) 450 - 1402