



NIZARI PROGRESSIVE FEDERAL
CREDIT UNION

2015

ANNUAL REPORT



Ismailis Helping Ismailis



NIZARI PROGRESSIVE FEDERAL
CREDIT UNION

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Board of Directors



Naushad Kermally
Chairman



Malik Jamal
Vice Chairman



Naveed Ali
Hon. Secretary



Shaukat Jaffer
CEO



Shama Madhani
Director



Gulam Mohammed Nanjee
Director



Imran Ali
Director



Rafiq Dhanani
Director

Nominated



Sajjad Mussani



Amin Lakhani

Message from the Chairman

Dear Valued Nizari Members,

It is with great pride that I submit this report for your perusal. 2015 has been an iconic year for Nizari PFCU as we completed 25 years of service to our members. Nizari started as a cooperative society and today our current asset size is 113.2 million. It has been an exciting journey and we thank you, our members for your contribution to our success.



I was given the privilege to be the Chair of the Nizari Board in April 2015 and have witnessed several milestones throughout the year. Below are a few of these:

- A new core software was adopted in February 2015, to offer a better platform for our members.
- The spectacular 25 year celebrations at the Skeeters stadium in June 2015, featuring Kumar Sanu.
- The introduction of our MSB (Money Service Business) accounts in July 2015.
- The launch of SBA lending.
- The launch of the \$25,000.00 Nizari scholarship program in December 2015.
- The relocation of our Corporate back office to provide a better work environment and allow for future expansion of services with space to add capacity.

Our endeavor has been to assist our members by providing options to meet their specific needs be it 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 also continue to build our relationship with the various trade associations so that we can partner with them 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 loan disbursement was \$39.5 million which is over 10% growth and our total loan portfolio at the end of the year 2015 was \$88 million. We raised our dividends and paid out a total of \$594k to our members during 2015. Our delinquency rate was low, at only 0.25% while the industry standard is 0.94%. All these numbers are indicative of the efforts that have been put in to streamline processes, align policies with our vision, and investing in 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. I also wish to take this opportunity to commend the Board of Directors who give their time and knowledge to improve Nizari. We thank you - our members; and appreciate your loyalty to Nizari. With your support we will continue to improve our service, introduce new products, and bring you the latest technology to make banking with us faster and convenient. Very soon we will launch the Nizari App, and we hope that this feature; and our other products and services will encourage you to make Nizari your primary financial institution.

It has been a great journey in 2015 and we promise that in 2016 the Board, the Management team, and the staff will continue to strive to make your banking experience easy, convenient, and fantastic.

Sincerely,

Naushad Kermally

Chairman

Message from the CEO

Year 2015 has been a challenging as well an exciting year as we accomplished several milestones and continued to have members' confidence and patronage for our services. Silver Jubilee was celebrated as we completed 25 years of operations, switched over to the new core processing system for which the implementation started in 2014, introduced SBA lending and MSB services. Our operations, compared to peers, continue to be efficient as reflected in our financial performance. Organizational restructuring was undertaken to ensure smooth operations and to strengthen compliance function.



Nizari has achieved financial stability which is reflected in our key financial ratios compared to peer performance. Net Income for 2015 was \$ 1.49 mm compared to \$ 1.66 mm of 2014. The lower net income for 2015 was on account of higher dividend payout to our members. Dividend payout for 2015 was \$ 594k while it was \$ 434k for 2014, an increase \$ 160k over 2014. Total loan disbursement was \$ 39.5 mm resulting in loan portfolio growth of 10.4% to \$ 88 mm. In addition, \$ 2.11 mm line of credit was granted; while peer loan growth was 8.11%. Loan delinquency was 0.25% compared to 0.94% which reflects the quality of loan portfolio. Networth ratio is indicative of the financial strength which was 14.51% while the peer ratio was 10.94%. Total assets grew by 3.5% to \$ 113.18 mm and the return on assets was 1.32% which was greater than that of peers, 0.54%.

Technological development is taking place in all sectors of the economy and banking is no exception. We have implemented remote deposit capture for business accounts and mobile capture is in testing phase of the implementation. In addition, e-sign for consumer loan will be introduced this year which we will make our process efficient and less time consuming. MSB services were introduced in view of our community needs since other mainstream banks are shying away from this service. RDC and cash delivery services have enabled us to cater to business accounts located at a distance from our branches. Under SBA lending program, we can lend up to \$5 mm to one borrower. Our website was also redesigned to make it easier for our members to navigate through it. We keep our members updated whenever new products and services are launched, run special promotions via newsletter, e-mails, text etc.

We thank our members for participating in the Silver Jubilee event in large numbers and making it a huge success. As part of the celebration, 25 scholarships of \$1,000 each were offered to students. We appreciate members' sharing feedback with us to improve our future events. We continue to collaborate with institutions like Council, EPB, AKEB, AICC, TAs etc. for various programs to contribute towards community development.

These accomplishments would not have been possible without the hardwork and commitment from our staff, guidance from the Board of Directors, and the members' trust and confidence in our ability to deliver. As we enter into 26th year of operation, our focus continues to cater to different segments of our membership's needs in general, and community at large. I look forward to equally exciting year ahead in 2016 with a big Thank You to our valued members for being part of the Nizari family.

Sincerely,

Shaukathussain Jaffer

Chief Executive Officer

2015 ANNUAL REPORT

STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2015 & 2014

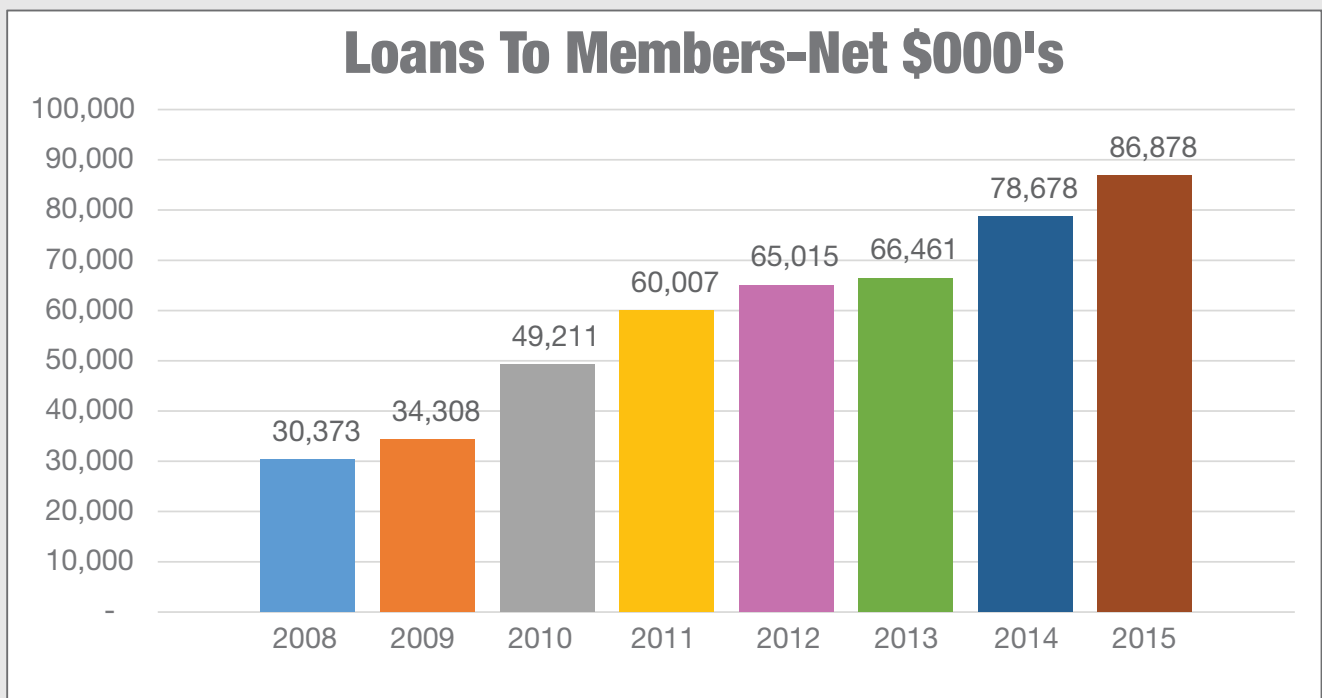
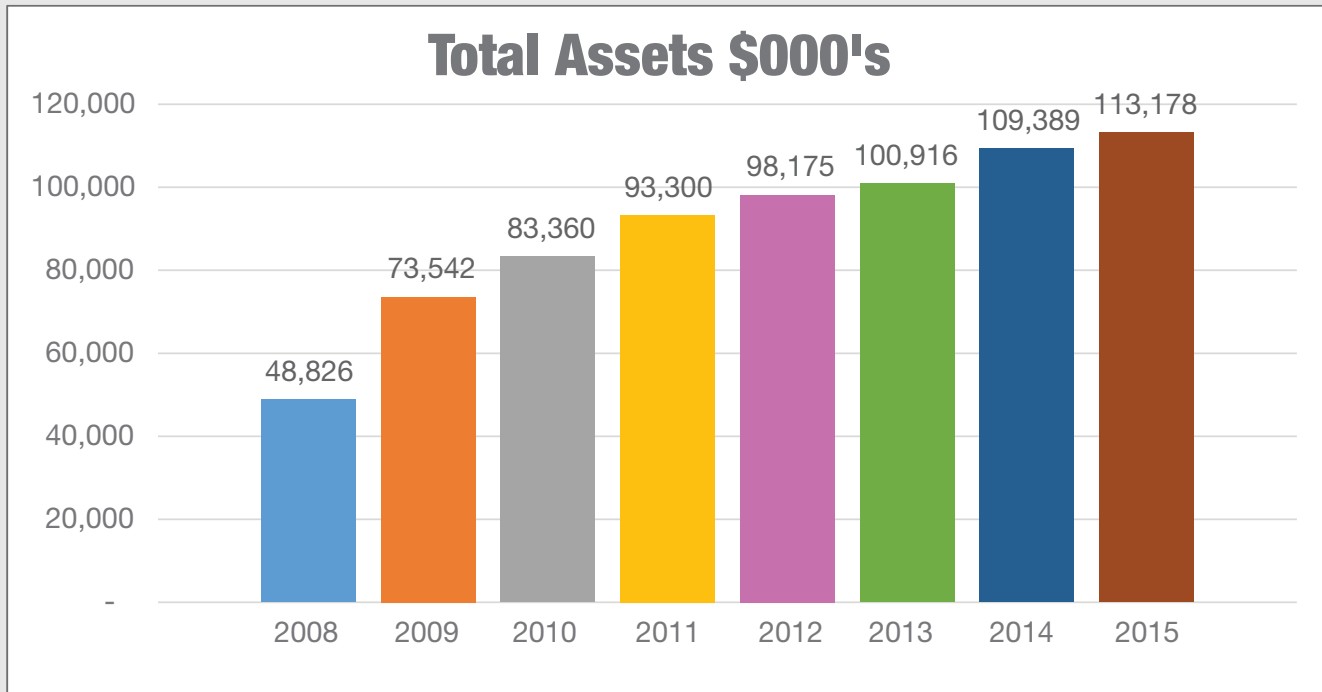
Financial Statement

ASSETS	2015	2014
Loans to Members	87,983,052	79,692,079
Less: Allowance for Loan Loss	(1,104,862)	(1,014,060)
Total Loans	86,878,190	78,678,019
Cash in hand & at Bank	12,265,198	6,791,049
Investments	10,339,817	20,823,285
Advance, Deposits & Prepayments	1,199,706	616,701
Advance for Capital Expenditure	32,894	40,556
Property, Equipment & Furniture	2,825,353	2,863,632
Less: Accumulated Depreciation & Amortization	(853,449)	(911,200)
Net Fixed Assets	1,971,904	1,952,432
Accrued Interest on loans & investments	490,417	487,169
Total Assets	113,178,126	109,389,211
LIABILITIES AND EQUITY		
Payable & Accrued Liabilities	1,452,208	5,589,765
Members' Shares & Deposit	95,308,129	88,776,567
Unrealized Gain on Investments	525	97,863
Regular & Specific Reserve	5,602,900	5,602,900
Undivided Earnings	10,814,364	9,322,116
Total Equity	16,417,789	15,022,879
Total Liabilities and Equities	113,178,126	109,389,211

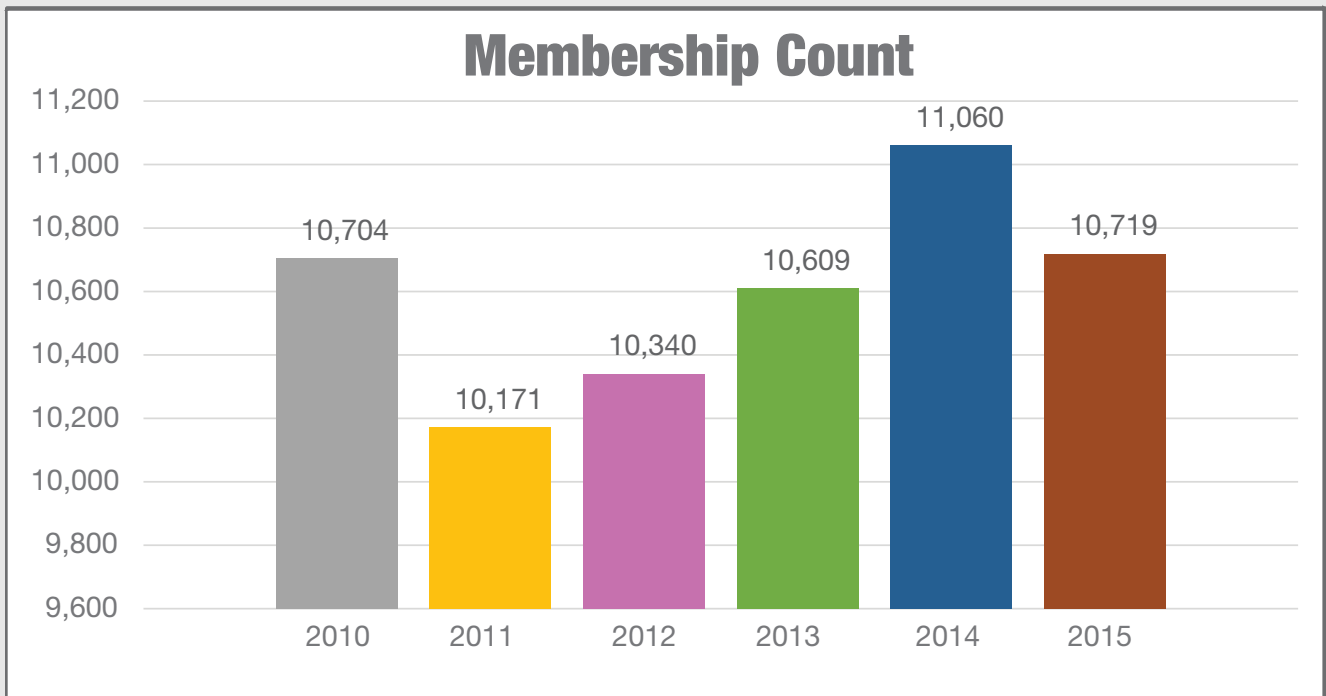
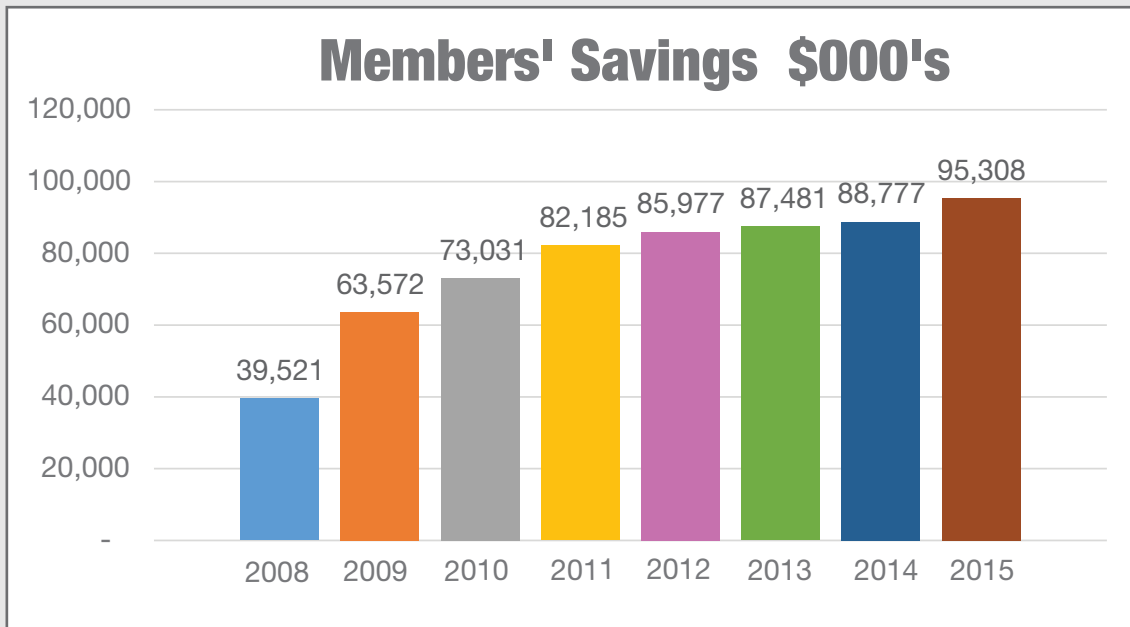
STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2015 & 2014

	2015	2014
Operating Income	5,417,196	5,243,698
Operating Expenses:		
Operating Expenses	3,286,405	3,060,979
Provision for Loan Losses	145,000	120,000
Total Operating Expenses	3,431,405	3,180,979
Income from Operations	1,985,791	2,062,719
Non Operating income	100,243	29,226
Dividend Paid to Members	(593,786)	(433,625)
Net Income	1,492,248	1,658,320

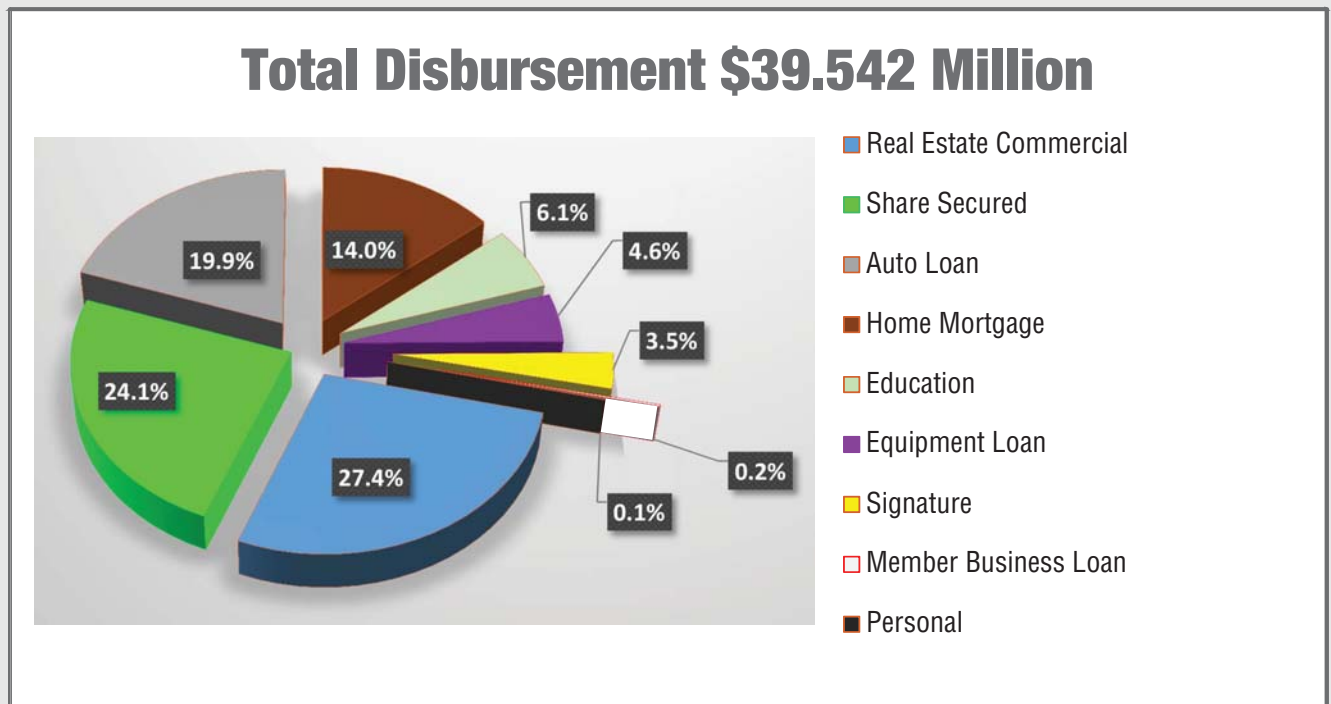
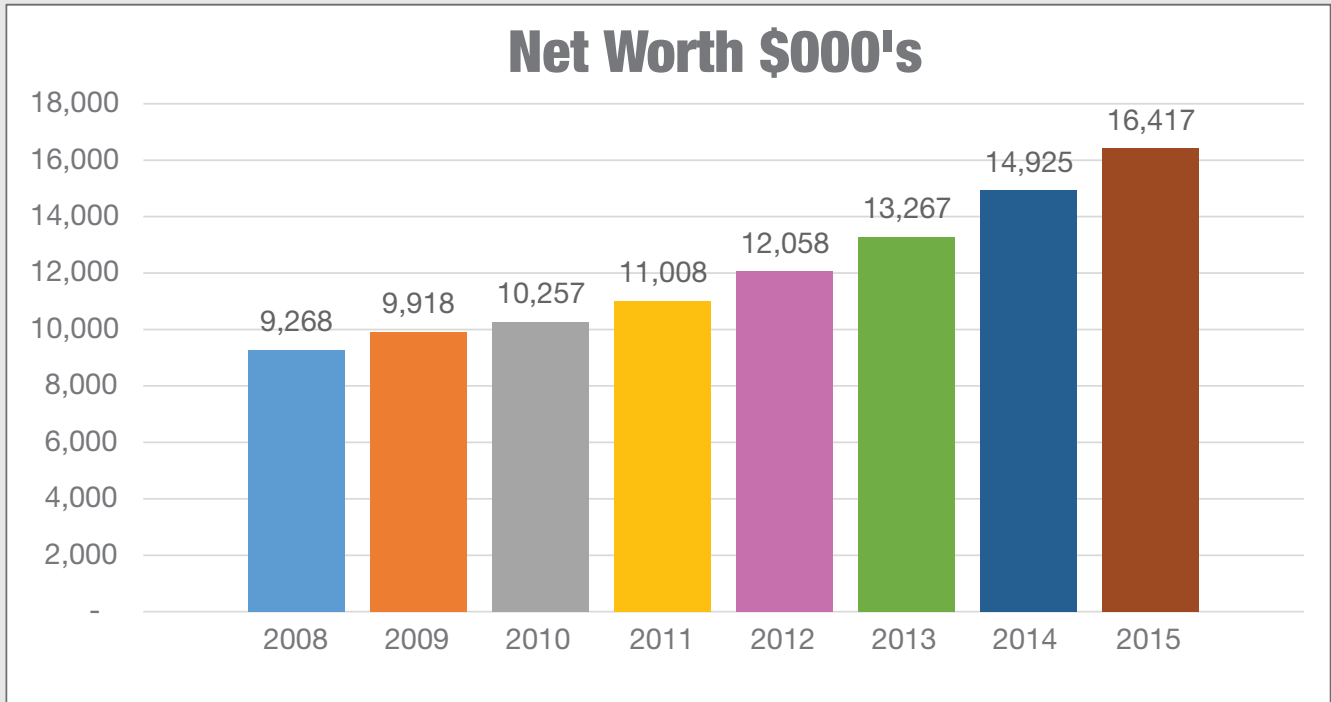
Graphical Presentation



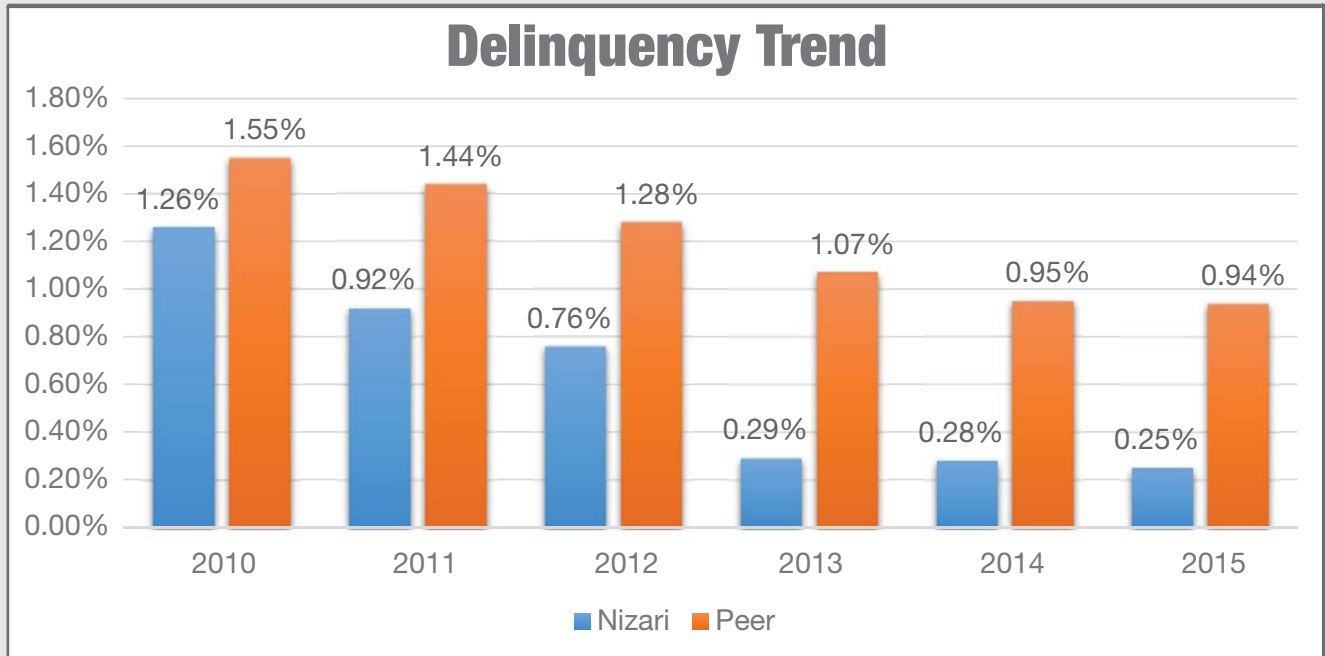
Graphical Presentation



Graphical Presentation



Graphical Presentation



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 internal polices and governmental regulations.



As per NCUA regulation Supervisory Committee is responsible to retain an independent accounting firm to review the credit union's records at least once every 12 months. This year the required annual review, as in the past, was again performed by Credit Union Resources, Inc. The report found no material exception to the credit union's operations.

Based on the report from the independent auditors as a result of the review of the operations of the credit union, I feel comfortable in stating that the annual financial statement is a good reflection of the credit union's state and its financial strength.

Sincerely,

Gulam Mohammed Nanjee

Supervisory Committee Chairman



2015 marks the 25th year of operations for Nizari PFCU and it was celebrated with a star studded event on Saturday June 6, 2015 in which Kumar Sanu, Kashif Khan and other entertainers gave fantastic performances at the Skeeters stadium in Sugarland, TX. The credit union organized this event as a token of appreciation to its members.

Nizari also expressed its gratitude to the past Chair Persons and Board Members for their valuable contribution by awarding them plaques of recognition for their dedicated services. Officials and dignitaries from various institutions joined Nizari members in celebrating and commemorating 25 years of financial success. The highlight of the show was the 7 minute fireworks display that lit up the sky as Kumar Sanu crooned his romantic numbers and mesmerized the crowds. Comedian Kashif Khan entertained the crowd with his funny jokes and mimicry. Free food, dessert, and kids' activities were also arranged and no details were left out by Nizari's event management team led by Chairman Naushad Kermally and Vice Chair Malik Jamal. Chairman Naushad quoted that "Nizari owes its existence & success to its membership and giving back in this manner is a small token of appreciation and Inshallah we will



Chairman Naushad Kermally



Kumar Sanu



Kashif Khan

celebrate the 50th anniversary with an even more spectacular event". We hope that we can count you all in at the next mega event that we may plan in the future.

Scholarship *Winners*

Congratulations to the winners of Nizari's Silver Jubilee Scholarship! We are proud to be part of your educational journey and wish you luck in all your future endeavors.

We would encourage all the other applicants to continue to improve and reapply next time.



NIZARI PROGRESSIVE FEDERAL CREDIT UNION

- Hemin Noorani
- Sarah Momin
- Sanija Maredia
- Khudajah Karamali
- Sarah Kesaria
- Saman Modi
- Sehar Jiwaneer
- Nishah Panchani
- Anusha Bhojani
- Naureen Kurji
- Sahar Panjwani
- Shweta Lakhani
- Sarah Ladhani
- Sony Jiwani
- Fahrin Dhukka
- Krinza Prasla
- Sanaa Bhimji
- Alisha Hooda
- Raheela Ali
- Rameen Rajani
- Naziya Kurji
- Alikhan Karimi
- Uzma Ali
- Arushana Amir
- Salina Abdullah

Sarah Momin

I truly felt blessed and joyful after learning that I won the scholarship. Even though I had a bad day, winning the scholarship was proof for me that no matter how bad the day seems, it will never last forever. It brightened my day, and I am extremely thankful that I was selected to receive this scholarship. Thank you,
Sarah Momin

Sahar Panjwani

Thank you so much for awarding me the scholarship! I am truly humbled and blessed to be a recipient and am eternally grateful to Nizari PFCU for allowing me to fulfill my dreams.
Sahar Panjwani

Krinza Prasla

I was so thrilled to hear that I got selected to receive this scholarship! Thank you to Nizari PFCU for making higher education possible!
Krinza Prasla

Sanija Maredia

When I received the email saying that I was one of the applicants chosen for the scholarship, I was ecstatic. I'm also grateful as this grant will help pay for my college tuition in the following semester.
Sanija Maredia

Members Testimonials

Parvez Merchant

Yam Sonya,

I really appreciate the way you handled my loan process professionally. I have worked for Bank of America for 2-years and know the level of professionalism to expect. I really felt proud that our community bank takes interest in hiring professionals like you. You provided excellent customer service and waited late to take care of the loan process.

I will rate this service 10 out of 10.

Sincerely
Parvez Merchant

Unknown Member

"I really do appreciate Sahina Ali, who works at Nizari Federal Credit Union, for all her timely help and services when needed. She responded to all my inquiries at such a short notice. Remarkable!"
Thank you again.
Unknown Member

Nadir Giga

I can't explain how great your service has been. If you were to look at my credit report, you will see how many banks and lending institutions I have dealt with, including other Jamati institutions.

Sairoz, you and Nizari Bank have brought hope and vision in our lives and we thank you for that. PLEASE CONTINUE TO OFFER YOUR AMAZING SUPPORT AND DEDICATION.

If there is anything I can do to be of any support please feel free to reach out to me.

Sincerely,
Nadir Giga

Amirali

"Let me start by saying thank you to NPFCU for having a wonderful team of professionals working together. I would especially like to thank Mikdad Momin. He is helping Ismailis by assisting them with their financial needs, he is following the practice of our faith. Mikdad approaches members with courtesy & respect. It's incredible that he tries to make sure that every person is comfortable sitting in front of him during the loan process. He also tries his best to get loans for each member in a timely manner. Lastly, I would like to thank Rozina, who has been doing great. Congratulations to all."- Amirali

Employee Glossary



Naseem Kheraj
Associate Director



Sohail Shahabuddin
Accounting Manager



Rozina Rasiyani
Senior Lending Manager



Mikdad Momin
Member Services Manager



Hamidah Khorashi
Operations Supervisor



Afsha Ali
HR Manager



Ana Velazquez
Audit & Compliance Specialist



Binish Jasani
Senior Loan Officer



Zeeshan Ali
Business Accounts Officer



Ali M Khowaja
Senior Operations Officer



Ali Virani
Operations Officer



Azeem Virani
Loan Officer



Eeman Lotia
Collector



Fnu Enayatullah
Staff Accountant



Nikita Maknojia
Administrative Assistant

Employee Glossary



Firuz Shukrikhudoev
Loan Coordinator



Deven Agarwal
Member Services
Coordinator



Nafisa Aziz
Member Services
Coordinator



Adnan Lakhani
Business Development
Representative



Hena Karim
Member Services
Representative II



Rizwana Daredia
Financial Services
Representative II



Sairoz Momin
Financial Service
Representative



Sonya Maredia
Financial Service
Representative



Sahina Maredia
Teller Supervisor



Mumtaz Ali
Teller II



Shermeen Ali
Teller



Salman Viranee
Teller

Staff Directory

Management

Name	Position	Email Address	Contact Phone
Shaukathussain Jaffer	Chief Executive Officer	shaukat.jaffer@nizaricu.org	281.921.8530
Naseem Kheraj	Associate Director	naseem.kheraj@nizaricu.org	972.808.7684

Houston Branch / Member Services Department

Mikdad Momin	Member Services Manager	mikdad.momin@nizaricu.org	281.921-8514
Zeeshan Ali	Business Accounts Officer	zeeshan.ali@nizaricu.org	281.921.8507
Sahina Maredia	Teller Supervisor	sahina.maredia@nizaricu.org	281.921.8515
Deven Agarwal	Member Services Coordinator	deven.agarwal@nizaricu.org	281.921.8519
Shermeen Ali	Teller	shermeen.ali@nizaricu.org	281.921.8503
Salman Viranee	Teller	salman.viranee@nizaricu.org	281.921.8501
Mumtaz Ali	Teller II	mumtaz.ali@nizaricu.org	281.921.8502

Houston Branch / Loan Department

Rozina Rasiyani	Senior Lending Manager	rozina.rasiyani@nizaricu.org	281.921.8509
Binish Jasani	Senior Loan Officer	binish.jasani@nizaricu.org	281.921.8516
Rizwana Daredia	Financial Services Rep.II	rizwana.daredia@nizaricu.org	281.921.8513
Sairoz Momin	Financial Service Rep.	sairoz.karedia@nizaricu.org	281.921.8527
Azeem Virani	Loan Officer	azeem.virani@nizaricu.org	281.921.8525
Sonya Maredia	Financial Service Rep.	sonya.maredia@nizaricu.org	281.921.8522
Firuz Shukrikhudoev	Loan Coordinator	firuz.shukrikhudoev@nizaricu.org	

Dallas Branch / Loan Department

Nafisa Aziz	Member Services Coordinator	nafisa.aziz@nizaricu.org	972.808.7687
Hena Karim	Member Services Rep.II	hena.karim@nizaricu.org	972.808.7683

Austin Branch / Loan Department

Adnan Lakhani	Business Development Rep.	adnan.lakhani@nizaricu.org	281.921.8545
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Operations Department / Collections Department

Hamidah Khorashi	Operations Supervisor	hamidah.khorashi@nizaricu.org	291.921.8529
Ali M Khowaja	Senior Operations Officer	ali.khowaja1@nizaricu.org	281.921.8537
Ali Virani	Operations Officer	ali.virani@nizaricu.org	281.921.8526
Nikita Maknojia	Administrative Assistant	nikita.maknojia@nizaricu.org	291.921.8536
Eeman Lotia	Collector	eeman.lotia@nizaricu.org	281.921.8523

Accounting Department

Sohail Shahabuddin	Accounting Manager	sohail.shahabuddin@nizaricu.org	281.921.8521
Fnu Enayatullah	Staff Accountant	fnu.enayatullah@nizaricu.org	281.921.8535

Compliance Department

Ana Velazquez	Audit and Compliance Specialist	ana.velazquez@nizaricu.org	281.921.8512
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Human Resource Department

Afsha Ali	HR Manager	afsha.ali@nizaricu.org	281.921.8524
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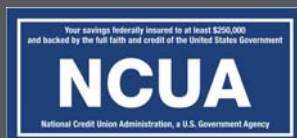
NIZARI PROGRESSIVE FEDERAL
CREDIT UNION

Products Offered

- Personal loans
- Business loans
- SBA loans
- Personal line of credit
- Business line of credit
- Equipment loans
- Home mortgage loans
- Personal credit cards
- Business credit cards
- Auto loans – New & Used
- Student loans
- Student loan debt consolidation
- MSB accounts
(check cashing account)
- Savings accounts
- Personal checking accounts
- Business accounts
- College saving accounts
- IRA accounts
- Share certificate accounts

Services & Features

- Text banking
- Phone banking
- Remote deposit capture
- Loomis cash delivery service
- Shared branching
- E-statements
- Bill pay
- Nizari App (coming soon)



Federally Insured by NCUA





NIZARI PROGRESSIVE FEDERAL
CREDIT UNION

SUGAR LAND MAIN BRANCH
11770 UNIVERSITY BLVD.
SUGAR LAND, TX 77478
TEL: 281-921-8500
FAX: 281-921-8550

HOURS: M-F 9:00-5:00 SAT: 9:00-1:00

DALLAS BRANCH
2548 DICKERSON PKWY SUITE 106
CARROLLTON, TX 75006
TEL: 972-808-7688
FAX: 972-466-2200

HOURS: M-F 9:00-5:00 SAT: 9:00-1:00

AUSTIN OFFICE
5555 NORTH LAMAR #H101A
AUSTIN, TX 78751
TEL: 512-450-1401
FAX: 512-450-1402

HOURS: M-F 9:00-5:00

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