

NIZARI PROGRESSIVE

FEDERAL

CREDIT UNION

FIFTH

Annual General Meeting

March 12, 1995

Houston, Texas

NOTICE OF ANNUAL GENERAL MEETING

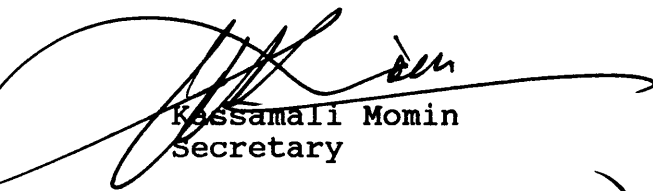
February 24, 1995

TO: Members of The Nizari Progressive Federal Credit Union

Notice is hereby given that the annual general meeting of The Nizari Progressive Federal Credit Union will be held on Sunday March 12, 1995 at 1:00 pm (sharp) at Savoy Banquet Hall 11246 South Wilcrest #145, Houston, Texas 77099.

AGENDA

1. Reading and adoption of the minutes of the previous meeting
2. Report of the President on behalf of the Board of Directors
3. Report of the Treasurer
4. Report of the Credit Committee
5. Report of the Supervisory Committee
6. Election of five candidates to the Board of Directors (to replace five existing Directors whose terms are expiring)
7. Any other business with the permission of the Chair
8. Adjournment



Kassamali Momin
Secretary

**LUNCH WILL BE SERVED AFTER
THE MEETING**

R.S.V.P: (713)495-2826

CHAIRMAN'S REPORT 1994

On behalf of the Board of Directors of the Nizari Progressive Federal Credit Union, it gives me great pleasure to welcome the membership to the Fifth Annual Meeting of the Credit Union.

You will be happy to note that in 1994, the performance of operations in all sectors of the Credit Union was noteworthy and remarkable. This will be evidenced in various charts that appear elsewhere in the report.

In the second quarter of 1994, a farewell party was organized to honor the former Chairman, Mr. Amiruddin S Momin, in recognition of his meritorious services to the Credit Union during his tenure of office. Mr. Amiruddin was one of the pioneers in establishing the Nizari Progressive Federal Credit Union and made significant contributions towards realization of the goals and mission of the Credit Union. The function was attended by, among others, the Honorary Secretary of the Council for the Southwestern United States, his spouse, Mukhis/Mukhianis and Kamadias/Kamadianis of all jamats in Houston.

For the first time, a joint meeting was held between the Board of Directors of the Pioneer Muslim Credit Union and the Directors of the Nizari Progressive Federal Credit Union in August 1994. At this meeting, various common issues were discussed and views and ideas were exchanged on relevant topics of mutual interest. This was a successful meeting which proved beneficial to both the parties. This was a first step towards implementation of policy to promote interaction with other Credit Unions in the Houston area.

In keeping with the Board's policy to provide continuing education and training to directors and committee members, the first batch of four directors and two committee members was encouraged to attend the following seminars and workshops. I am happy to report that participation of the designated persons in the program was enriching and successful.

Seminar on TRUTH-IN-SAVINGS
Seminar on INVESTMENTS
Seminar on CUMAS UPDATING

The Board reviewed the loan policy in 1994 and made significant changes to reflect the current trends in the industry. The existing maximum loan limit of \$10,000 was raised to \$15,000; an increase of 50%. Several other rules were relaxed to make the policy more flexible without compromising the principle of safety and soundness of the loan policy.

It is interesting to note the remarkable progress of the Credit Union while comparing the results of 1993 and 1994 as follows;

ITEM	1993	1994	% INCREASE
Shares	1,115,707	1,621,839	45.36
Loans made	986,500	1,582,000	60.36
Loan to share ratio	78.04%	86.27%	10.55
No of Loans	130	149	14.62

Throughout the year, Credit Unions' loan to savings ratio on an aggregate industry basis, hovered around the 60% mark- far below pre-1980 levels of 80%. Whereas, as observed from the above table, our ratio at the year-end stood at 86.27% which is considered good.

Other remarkable accomplishments of 1994 which merit recognition are;

Capital growth improved by 80.56% compared with 1993

Capital to loan ratio was a healthy 11.50%

Capital to total assets ratio at the year-end was 9.02% which is higher than 1993.

The 1994 was a lucrative year in terms of gross income which was \$185,045. Consequently, a portion of the earnings was passed on to the members in that the rate of dividend was raised to 6% - an increase of half a percent over the previous year.

This is the third year in a row that the Credit Union has earned a composite rating of "1" from the scale of "1" to "5" ("1" being the best) according to the last examination report dated November 30, 1994. This speaks well of the excellent performance in most of the operations of the Credit Union. We should feel proud of this rating, however, we should guard against complacency. Indeed, this is an occasion which calls for more efforts and hard work to maintain the high standards for the Credit Union in the future.

The range of services and products offered by well established Credit Unions is vast. Our Credit Union is already showing promise and as it grows in its stature and gains more experience and know-how, it will be able to expand its services and products according to the needs and requirements of its membership.

The mission of the Credit Union is to provide optimum service to its members and to exercise safe and sound standards while offering various services and products with marginal amount of risk.

There are a number of individuals who are involved in sustaining this co-operative financial institution and who are instrumental for its success. The Credit Union could not have made progress without the incessant efforts and strenuous work of the Board of Directors, Committee members and invaluable assistance from a large number of volunteers.

I, therefore, offer my sincere thanks to my colleagues on the Board of Directors, members of all committees and the staff for their collaboration, hard work, sincerity and zeal. We also thank and appreciate the assistance and co-operation received from the volunteers and individuals whose names deserve to be mentioned here but due to shortage of space we are unable to do so. We have also not forgotten about the assistance and timely help we receive from the officers and Directors of the Pioneer Muslim Credit Union. We express to them our sincere thanks and appreciation.

I offer my sincere gratitude to the membership for its continuing support, assistance and co-operation which contributed a great deal to the resounding success of the Credit Union.

I close with the prayers that the year 1995 may bring more prosperity and success to the members and their families.

Thank you.


Roshanally H Merchant
Chairman

TREASURER'S REPORT 1994

BALANCE SHEET

December 31, 1994

ASSETS

Loan to Members	1,399,163
Cash at bank	48,636
Investments	321,377
Deposit with NCUSIF	8,927
Prepaid expenses	1,797
Other deposits	520
Fixed Assets	2,446
Total Assets	<u>1,782,866</u>

LIABILITIES

Shares of members	1,621,839
Regular reserves	48,220
Special reserves	81,018
Undivided earnings	31,714
Accounts payable	75
Total Liabilities	<u>1,782,866</u>

INCOME

January 1

INCOME

Interest on loans	165,107
Income from investments	12,320
Entrance fees etc.	6,283
Miscellaneous income	1,335
Total	<u>185,045</u>

STATEMENT

To December 31, 1994

EXPENSES


Salaries & benefits	20,209
Office rent & utilities	5,850
Office operations	1,601
Insurance	2,466
Maintenance & repairs	345
Postage & supplies	1,960
Association dues	1,306
Bank charges	338
Depreciation	828
Annual meeting expenses	393
NCUA fees	283
Total operating expenses	<u>35,579</u>
Gain from operations	149,466
Total	<u>185,045</u>

STATISTICAL INFORMATION

Number of Members	904
Outstanding loans	192
Loans since commencement	3.9 million
Total number of loans	471

DISTRIBUTION OF GROSS INCOME

Operating expenses	35,579	199
Dividends	77,652	421
Regular reserve	18,600	28
Special reserve	40,000	28
Undivided earnings	13,214	71
	<u>185,045</u>	


Nurudin K. Damani
Treasurer

CREDIT COMMITTEE REPORT 1994

We are pleased to present to the Board of Directors and the membership of the Credit union a report of the activities of the Credit Committee for 1994.

During the year the total number of loan applications received was 149. Each application was processed according to the existing laws, regulations and the loan policy established by the Board and not a single application was disapproved. The aggregate amount of loans granted was \$1,582,000 which is 60.36% higher than 1993. It is interesting to note that the average outstanding loan size is \$7287 and the ratio of borrowers to members is 21.24%.


The Board recently reviewed the loan policy and raised the maximum limit of loan to \$15,000 and made other rules more flexible. Borrowing members appreciated this revised policy which relaxed eligibility requirements. However, it may be noted that the principle of safety and soundness was not compromised to jeopardize the funds of the Credit Union. Due to sound lending practices, it is satisfying to note that the year 1994 ended without a single delinquent loan.

The committee appreciates the co-operative spirit of borrowers who willingly supplied pertinent information and documentation required to process their applications.

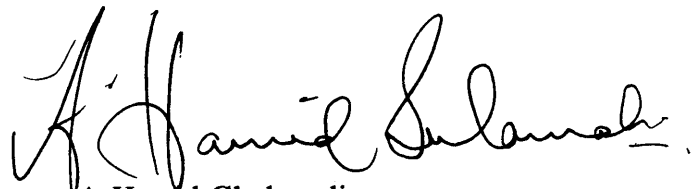
It may be reiterated that the Credit-Committee maintains appropriate confidentiality of all member transactions and all information regarding members' personal affairs.

Our goal is service to the members. Keeping this in mind the Credit Committee will continue to meet the financial needs of the members according to the prevailing laws, regulations and current loan policy.

We express our thanks to the borrowers and the membership for their kind co-operation and support to make 1994 a successful year.



Akberali Khoja
Chairman



A Hamid Ghulumali
Secretary

SUPERVISORY COMMITTEE REPORT 1994

It is the primary function of the Supervisory Committee to conduct an annual audit. It has also a continuing responsibility to ensure that the Credit Union's financial records and operations are in order.

In fulfillment of this responsibility, we are pleased to report that in compliance with the provisions of the Federal Credit Union Act and the Supervisory Committee Manual for the Credit Unions, an audit of accounts of the Credit Union was conducted by the Supervisory Committee.

The following accounting records were inspected and verified and our findings are that the records were found to be current and accurate.

Petty Cash Account	Bank Reconciliations
Members' Closed Accounts	Fixed Assets
Members' Shares and Loan Accounts	Loan Documentation
Outstanding Loans	Receipts and Disbursements
Trial Balance And Balance Sheet	Adequacy of Bond and other Insurance Protection

As a result of our inspections, observations, inquiries and confirmations, we were able to obtain sufficient evidence to make conclusions on the operations of the Credit Union.

To the best of our knowledge and belief the Credit Union's financial records are maintained in accordance with the existing laws and regulations. The financial statements of the Credit Union represent a true and complete picture of its financial condition.

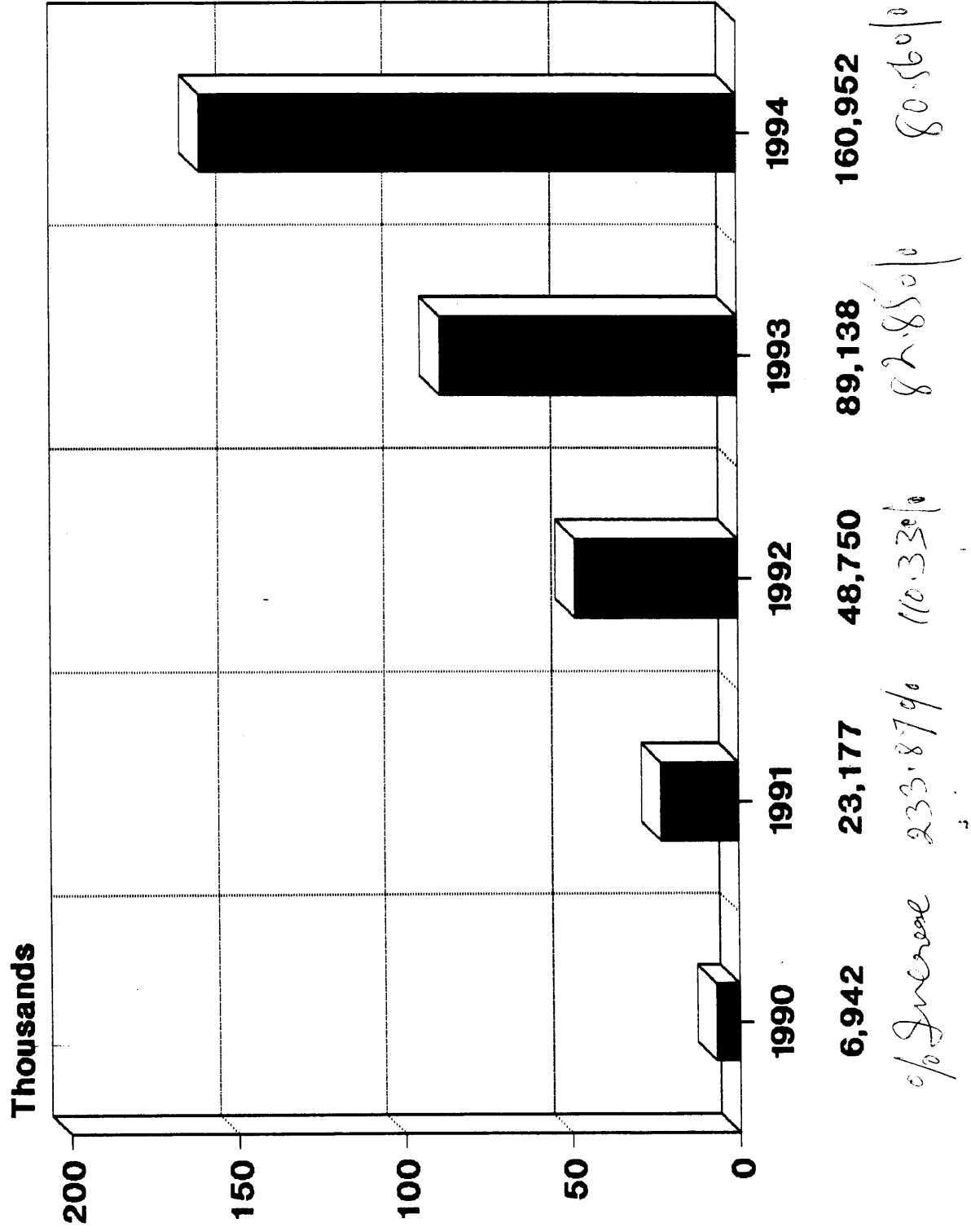
Thank You.



Ibrahim Khanmohamed
Chairman

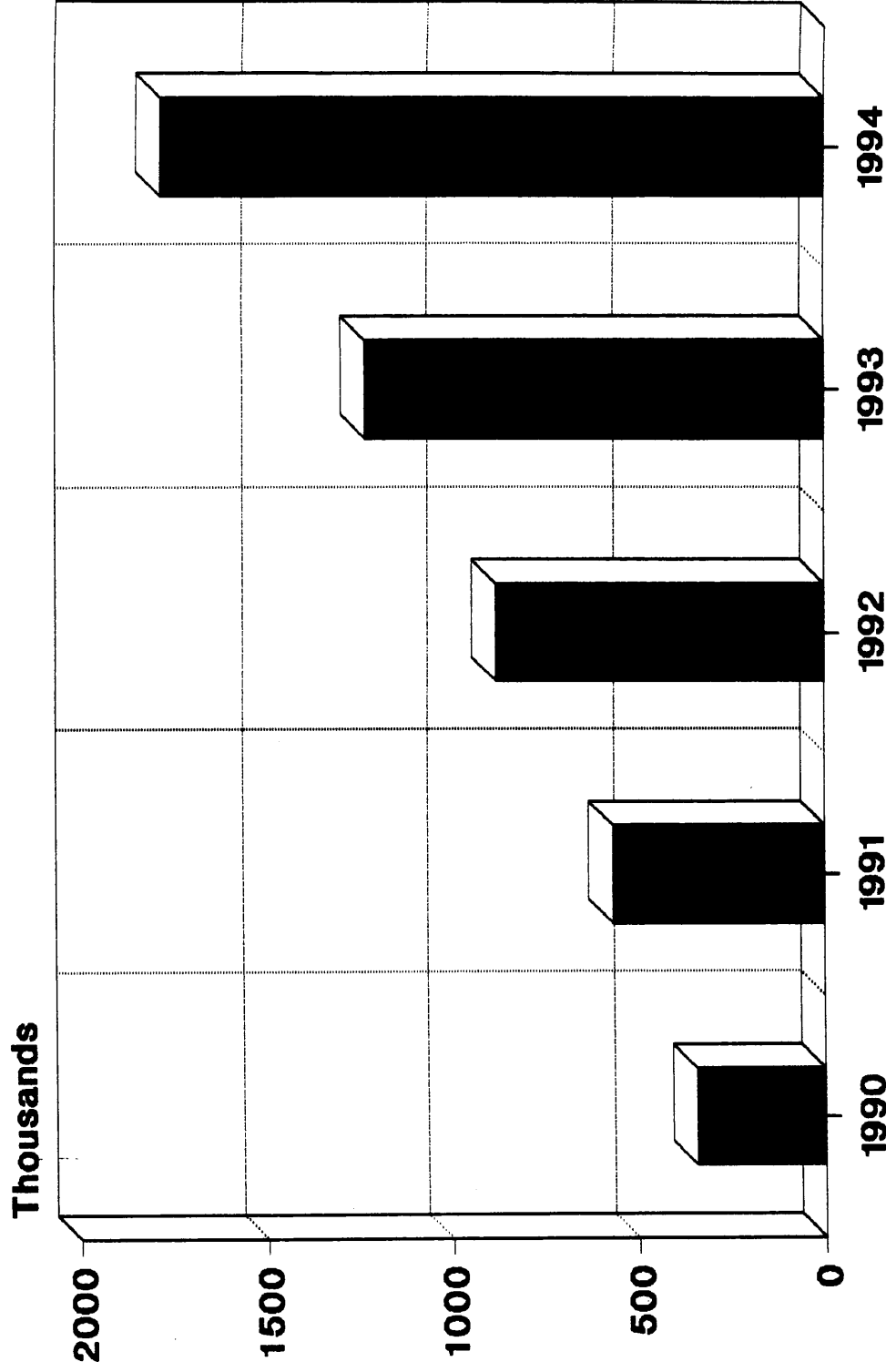
NIZARI PROGRESSIVE FEDERAL CREDIT UNION

CAPITAL GROWTH 1990 - 1994



NIZARI PROGRESSIVE FEDERAL CREDIT UNION

ASSETS GROWTH 1990 - 1994

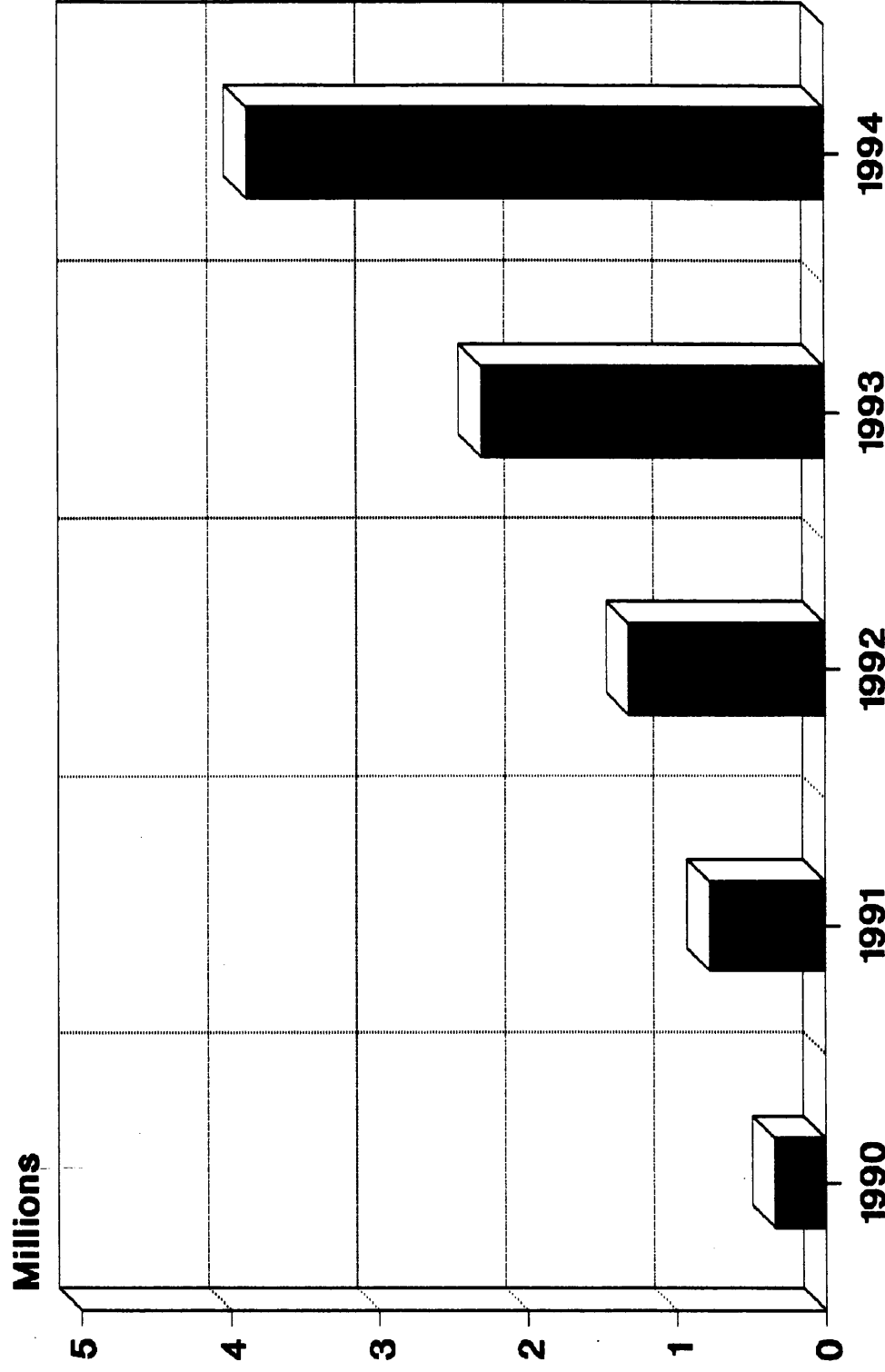


344,170 567,791 881,546 1,233,237 1,782,866

Increase — 64.97% 55.28% 39.85% 44.57%

NIZARI PROGRESSIVE FEDERAL CREDIT UNION

LOAN GROWTH 1990-1994



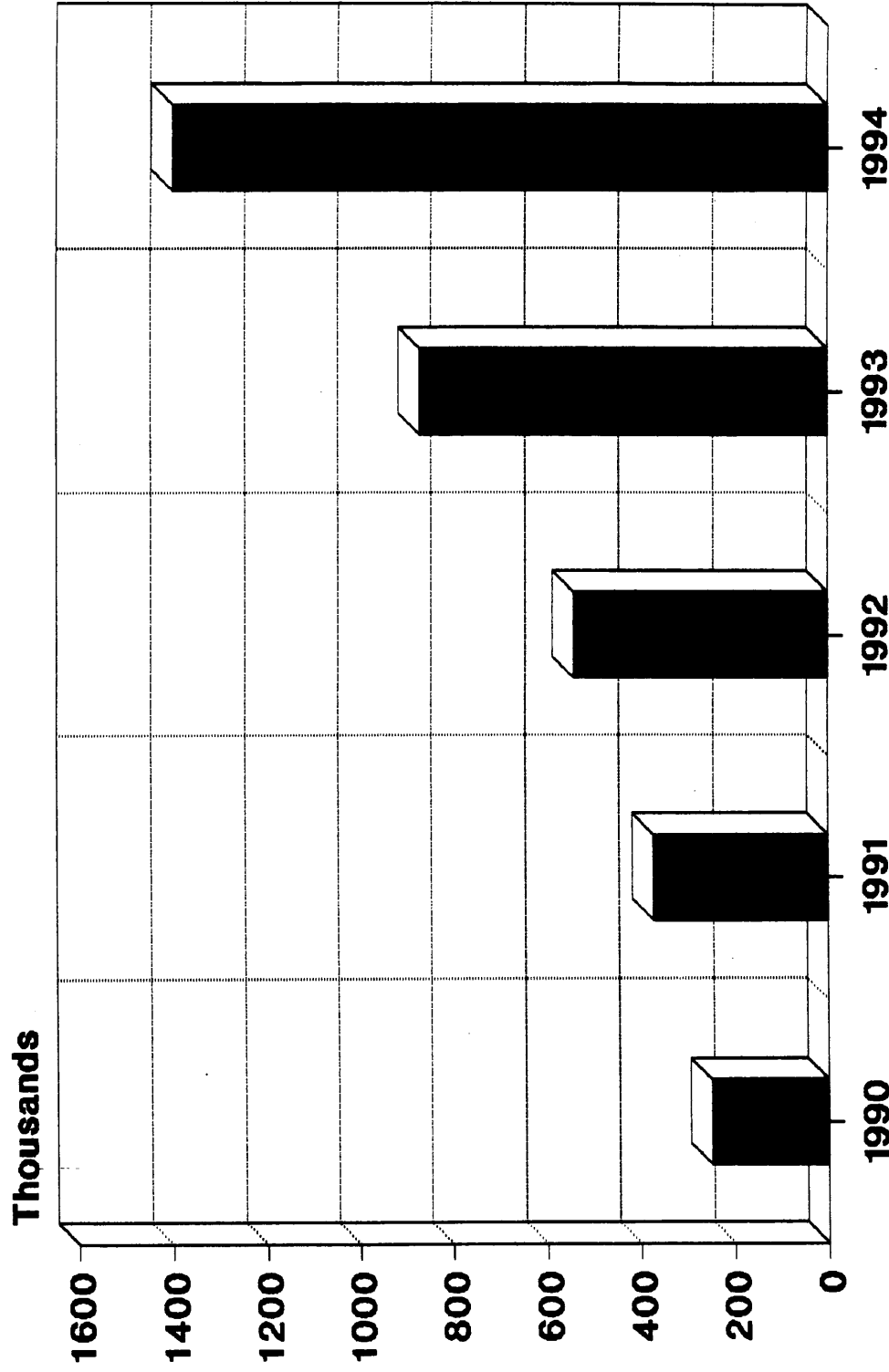
Grand

341,000	775,000	1,320,000	2,306,500	3,888,500
	127.28%	70.32%	74.73%	68.59%

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NIZARI PROGRESSIVE FEDERAL CREDIT UNION

OUTSTANDING LOANS 1990-1994

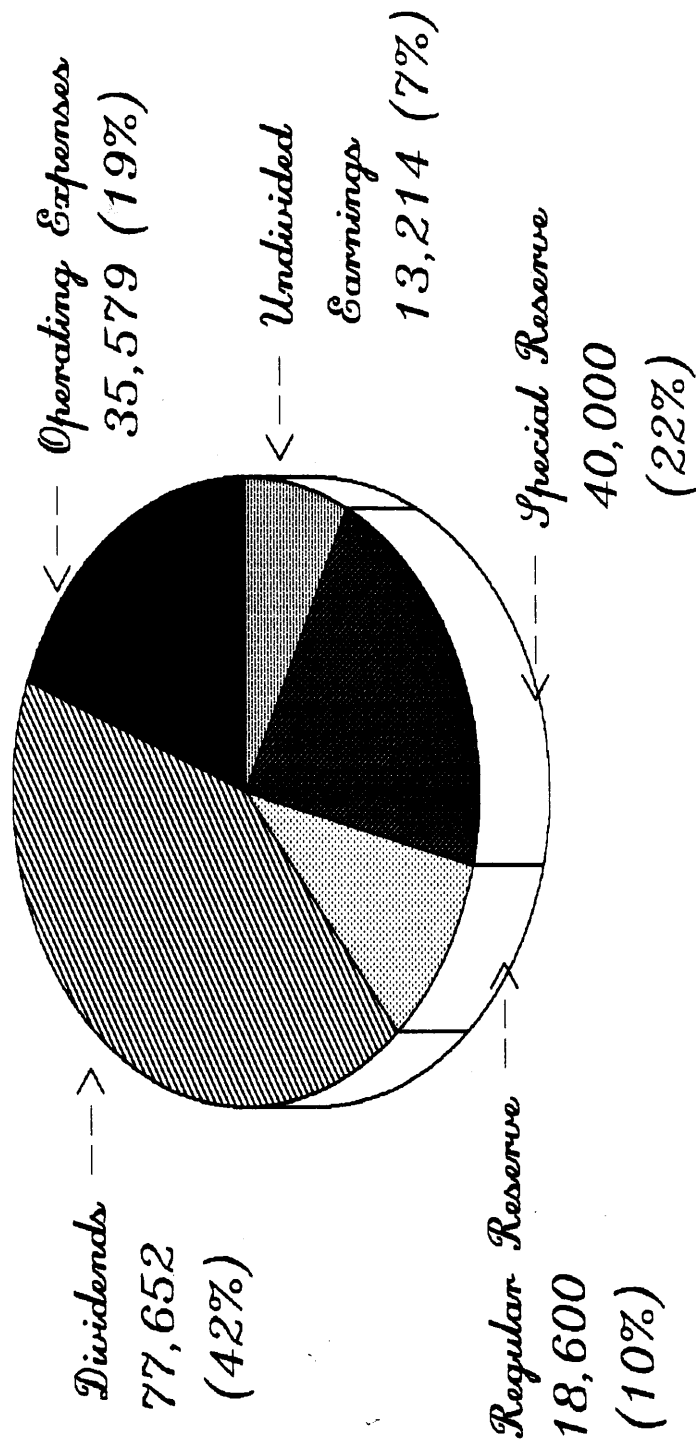


Increase, 49.40%
 48.72%
 60.37%
 60.70%

NIZARI PROGRESSIVE FEDERAL CREDIT UNION

GROSS INCOME DISTRIBUTION 1994

Gross Income 185,045



BOARD OF DIRECTORS

Roshanally H. Merchant	Chairman
Rahematali J. Karimi	Vice Chairman
Kassamali Momin	Secretary
Nurudin K. Damani	Treasurer
Akbarali I. Ghesani	Asst. Secretary
Haiderali Kajani	Director
Akberali Khoja	Director
Ibrahim Khanmohammed	Director
Karam Ali Mukhi	Director

CREDIT COMMITTEE

Akberali Khoja	Chairman
A. Hamid Ghulamali	Secretary
Haiderali Kajani	Member
Shams S. Faizullah	Member
Sultanali Sundrani	Member

SUPERVISORY COMMITTEE

Ibrahim Khanmohammed	Chairman
Barkatali Keshani	Member
Mansoor A. Tejany	Member

PERSONNEL

Dilshad A. Mohammed	Office Secretary
Neelofer A. Tajani	Office Assistant

Your Savings Federally Insured up to

\$100,000

by the National Credit Union Administration

a U.S. Government Agency

Nizari Progressive Federal Credit Union

10803 Kinghurst, Suite # 250

Houston, Texas 77099

Phone/Fax: (713) 495-2826

Hours

Monday - Friday

12:30 pm - 5:00 pm