

Nizari Progressive Federal Credit Union

**Glorious Decade
Of
Tremendous Progress
1990-1999**

Tenth Annual Report

&

General Meeting

April 09, 2000

Houston, Texas

March 17, 2000

TO: ALL MEMBERS

FROM: IBRAHIM KHANMOHAMED, SECRETARY

SUBJECT: ANNUAL MEETING OF MEMBERS

The 1999 Annual Meeting of the members of **NIZARI PROGRESSIVE FEDERAL CREDIT UNION** will be held on **SUNDAY APRIL 09, 2000 at 12.30 P.M.** at **SAVOY BANQUET HALL**, 11246 South Wilcrest, # 145, Houston, Texas 77099.

A G E N D A

- Reading and adoption of the minutes of the previous meeting.
- Report of the Chairman on behalf of the Board of Directors.
- Report of the Treasurer.
- Report of the Credit Committee.
- Report of the Supervisory Committee.
- Election of six candidates to the Board of Directors (to replace six existing Directors whose terms are expiring)
- Any other business with the permission of the Chair.
- Adjournment.

LUNCH WILL BE SERVED AFTER THE MEETING.

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CHAIRMAN'S REPORT 1999

On behalf of the Directors of the Nizari Progressive Federal Credit Union, I am pleased to welcome you today to the 10th Annual General Meeting and to present the highlights of the Annual Report for the year ending December 31, 1999.

DECADE OF PROGRESS AND PROSPERITY

Today, we have completed a decade of astounding success and progress- a glorious era of the Nizari Progressive Federal Credit Union of which every one of you should be very proud.

FINANCIAL STRENGTH

Let me summarize in one sentence that the financial condition of the Nizari is strong and solvent and the return on average assets is 4.13% which is much higher than peer ratio. This is borne out by the annexed report of the Treasurer.

Further the following numbers speak for themselves:

Item	1998	1999	% Inc/Dec
Capital	886,735	1,135,592	28.1%
Shares	3,656,133	6,235,459	70.5%
Loans Made	2,951,500	5,659,000	91.7%
Gross Income	542,610	701,693	29.3%
Expenses	129,399	151,792	17.3%

The following key ratios indicate financial position of Nizari Progressive Federal Credit Union vis-a-vis peer groups.

RATIOS	NIZARI	PEER
Capital to Assets	16.1%	14.8%
Total Loans to Total Shares	102.8%	73.5%
Total Loans to Total Assets	87.0%	62.7%
Delinquent Loans to Loans	0.5%	2.2%

We owe our financial strength to you, our valued members who continue to place their trust in us.

In 1999, the Board decided to pay 7% dividend to the members which is ½% higher than last year.

ACHIEVEMENTS AND SUCCESSES

Later the Secretary will run you through the salient features of the report in detail including year-end performance data.

NEW LOCATION

As you all know, we moved Nizari office to new premises on November 17, 1999. However, the inaugural ceremony was performed on December 10, 1999. On this occasion, all the members and dignitaries of the Jamat were invited. There was a large turn out on that day. The Chairman of San Antonio along with his spouse and the entire Management Committee of Dallas and their spouses had attended this function. In short the location is ideal and spacious. It is equipped with all office gadgets. After the ceremony sweets were distributed to members who visited our office.

The new office premises is located at 11111 Brooklet, Suite 111 which is in the same complex where the Headquarter Jamatkhan is situated.

EVENING TIMINGS

In order to facilitate members who daily come to Jamatkhana, the Board extended the business hours in the evening. Due to this additional facility members now transact business during evening hours after Jamatkhana. Members in general have appreciated this change. Especially those members who cannot come to the office during the day time for business consider this a great blessing, better convenience and easy access.

APPOINTMENT OF COUNSEL

At the first meeting of the Board of Directors in April 1999, Mr. Roshanally H. Merchant the former Chairman of Nizari, was appointed as the Counsel to the Board of Directors.

NEW PRODUCTS AND SERVICES

In the planning session of 1999, the Board decided to introduce the following programs;

- STUDENT LOANS
- IRA
- CAR LOANS

As of today, the two of the above programs have already been implemented and the third is in the process of implementation.

ESTABLISHMENT OF CENTER IN DALLAS

We are happy to report that in August 1999, Nizari Service Center was opened at Dallas and we have since received tremendous response from the Dallas Jamat. As on December 31, 1999 the total number of members was approximately 500 and the share deposit stood at about one million. The total amount of loan granted to members in Dallas at the close of the year was around one million.

This speaks highly of the Dallas Management Committee who worked hard with zeal, dedication, commitment and sincerity to achieve wonderful results. They really deserve our applause.

To them we convey our sincerest thanks and appreciation.

THANKS AND APPRECIATION

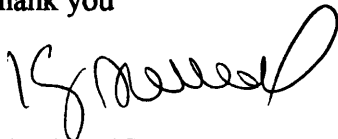
This year our Secretary Mr. Ibrahim Khanmohamed is leaving us due to certain business engagements. During his tenure of office as a Secretary and the member of the Board, he has rendered meritorious services for which we commend him. His contribution to the growth and progress of the credit union is outstanding. His business acumen and skill is praise-worthy. To him we offer our sincerest thanks and wish success in his endeavors.

I also take this opportunity to profusely thank my fellow directors, various committee members, management committee of Austin, San Antonio and Dallas and a large number of volunteers for their excellent job and dedication.

Our thanks are also due to the members of staff for their devotion, hard work and sincerity.

Lastly we are grateful to the general membership for its support and co-operation and other institutions and individuals for their advice and assistance offered from time to time.

Thank you



KARAM ALI
Chairman

TREASURER'S REPORT 1999
BALANCE SHEET
DECEMBER 31, 1999

<u>ASSETS</u>		<u>LIABILITIES</u>	
Loan to members	\$ 6,363,611	Shares of members	\$ 6,235,459
Cash at bank	231,485	Regular reserves	289,000
Investments	695,001	Special reserves	485,000
Deposit with NCUSIF	35,965	Reserve for EDP upgrade	80,000
Prepaid expenses	2,977	Undivided earnings	278,692
Other deposits	220	Accounts Payable	1,871
Fixed assets	43,663	Donated Equity	2,900
Total Assets	\$ <u>7,372,922</u>	Total Liabilities	\$ <u>7,372,922</u>

INCOME STATEMENT
January 01 to December 31, 1999

Interest on loans	\$ 651,181	Salaries & benefits	\$ 81,562
Income from investments	24,920	Office rent & utilities	13,659
Entrance fees etc.	25,592	Office operations	3,678
		Insurance	4,124
		Maintenance & repairs	720
		Postage & supplies	6,382
		Association dues	2,380
		Professional & Audit Fee	2,213
		Depreciation & Amortization	3,203
		Annual meeting expenses	1,654
		NCUA fees	1,211
		Edu & Promo/Advertising	4,739
		Donation	10,000
		Service Centers Expenses	7,132
		Provision for loan losses	9,135
		Total operating expenses	151,792
		Gain from operations	<u>549,901</u>
Total	\$ <u>701,693</u>	Total	\$ <u>701,693</u>

STATISTICAL INFORMATION

Number of members	2140
Outstanding loans	398
Loans since commencement	\$ 20.5 million
Total number of loans to-date	1508


Nurudin K. Damani
Treasurer

DISTRIBUTION OF GROSS INCOME

Operating expenses	\$ 151,792
Dividends	303,943
Regular reserve	35,000
Special reserve	100,000
Reserve for EDP upgrade	65,000
Undivided earnings	<u>45,958</u>
	\$ <u>701,693</u>

CREDIT COMMITTEE REPORT 1999

I am 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 1999.

During the year the total number of loan applications approved was 251 compared to last year of 173, an increase of 45%. Each application was processed according to the existing laws, regulations and loan policy established by the Board. The aggregate amount of loan granted during the year was \$ 5,659,000 that amounts to a monthly average of \$ 471,580. It is note worthy to report that the average outstanding loan size is \$ 15,989 compared to last year of \$ 11,949 and the ratio of borrowers to members remains at 20%.

The Committee appreciates the co-operative spirit of borrowers in supplying pertinent information and documentation required to process their applications speedily. Moreover, to provide quick, convenient and efficient service to borrower members, requests for loans were accepted on any day during the month. This process curtailed lot of waiting time and mostly requests were approved and payment disbursed within a week provided all formalities were completed.

It is worthwhile to mention here that the Committee tried to accommodate members' loan request to the maximum extent relying on the individual credit history, ability to pay and financial dealings with the Credit Union without compromising the principle of safety and soundness.

Keeping in mind the financial needs of members, the Committee, makes recommendations from time to time to the Board of Directors for necessary changes in the loan policy in consonance with prevailing economic and fiscal trends.

The Committee expresses its thanks to the borrowers and the membership for their kind co-operation and support to make 1999 a successful year.

Thank you.



Abdul Sultan Sundrani
Chairman

SUPERVISORY COMMITTEE REPORT 1999

I am 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.

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

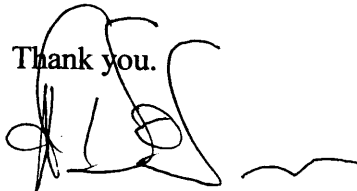
Petty Cash Account	Bank Reconciliation
Members' Closed Accounts	Fixed Assets
Members' Shares and Loan Accounts	Loan Documentation
Adequacy of Bond and other Insurance Protection	Receipts and Disbursements
Trial Balance and Balance Sheet	Outstanding Loans

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.

It is gratifying to note that the committee received no complaints from members for resolution.

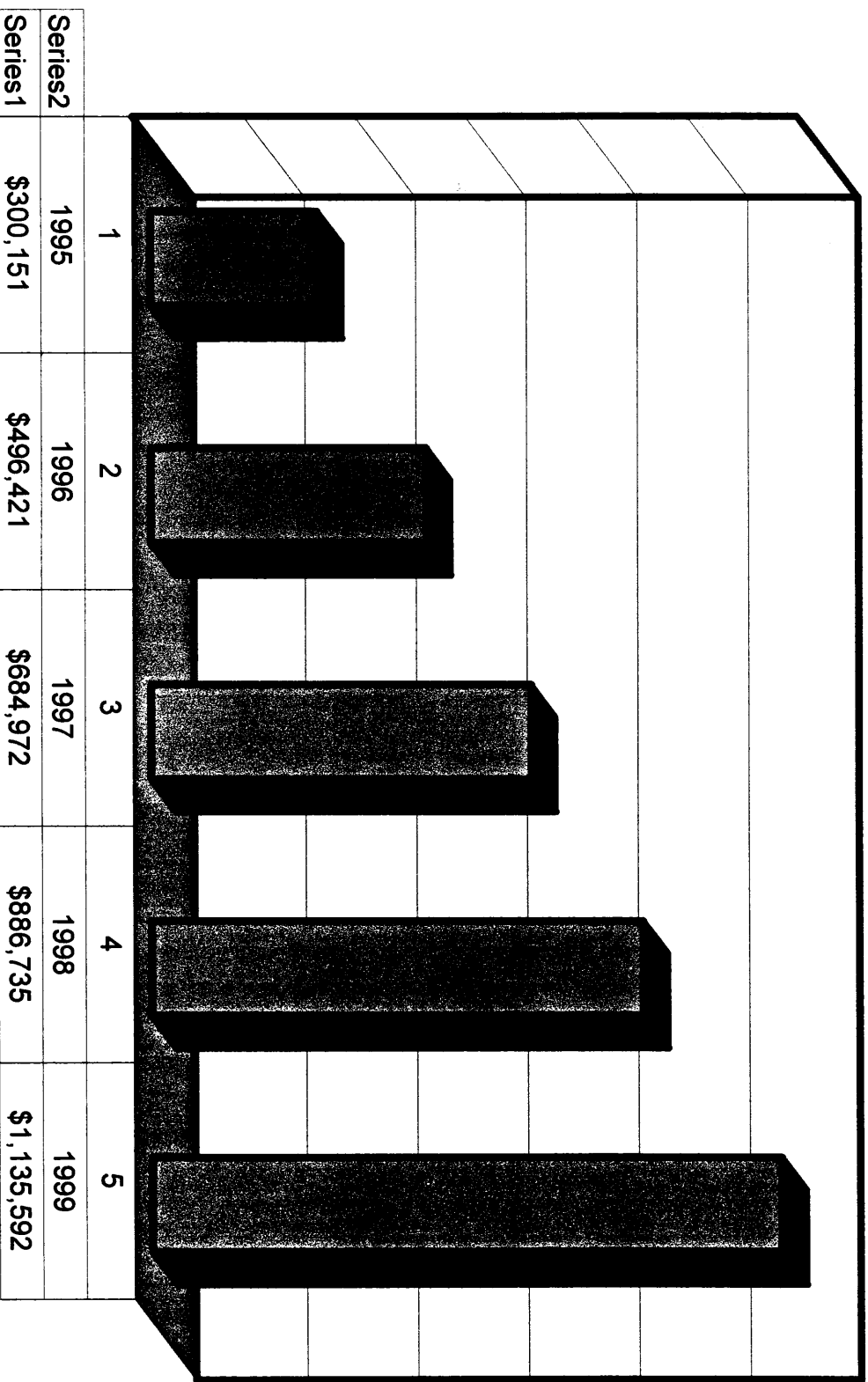
To the best of our knowledge and belief the Credit Union's financial records are maintained in accordance with the existing laws and regulations. The financial statements of the Credit Union represent true and complete picture of its financial condition.

Thank you.

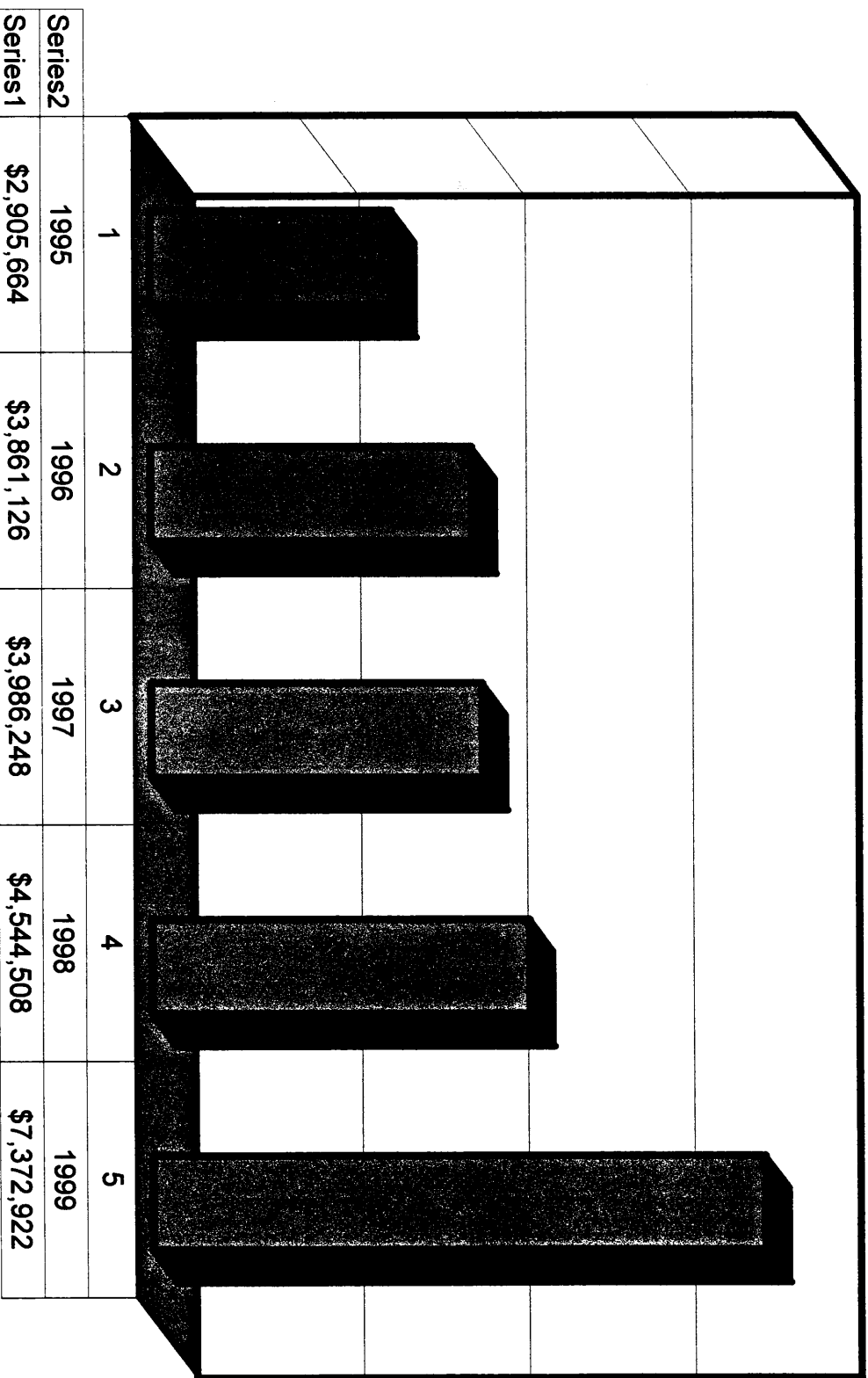


Sadiq Ali Dosani
Chairman

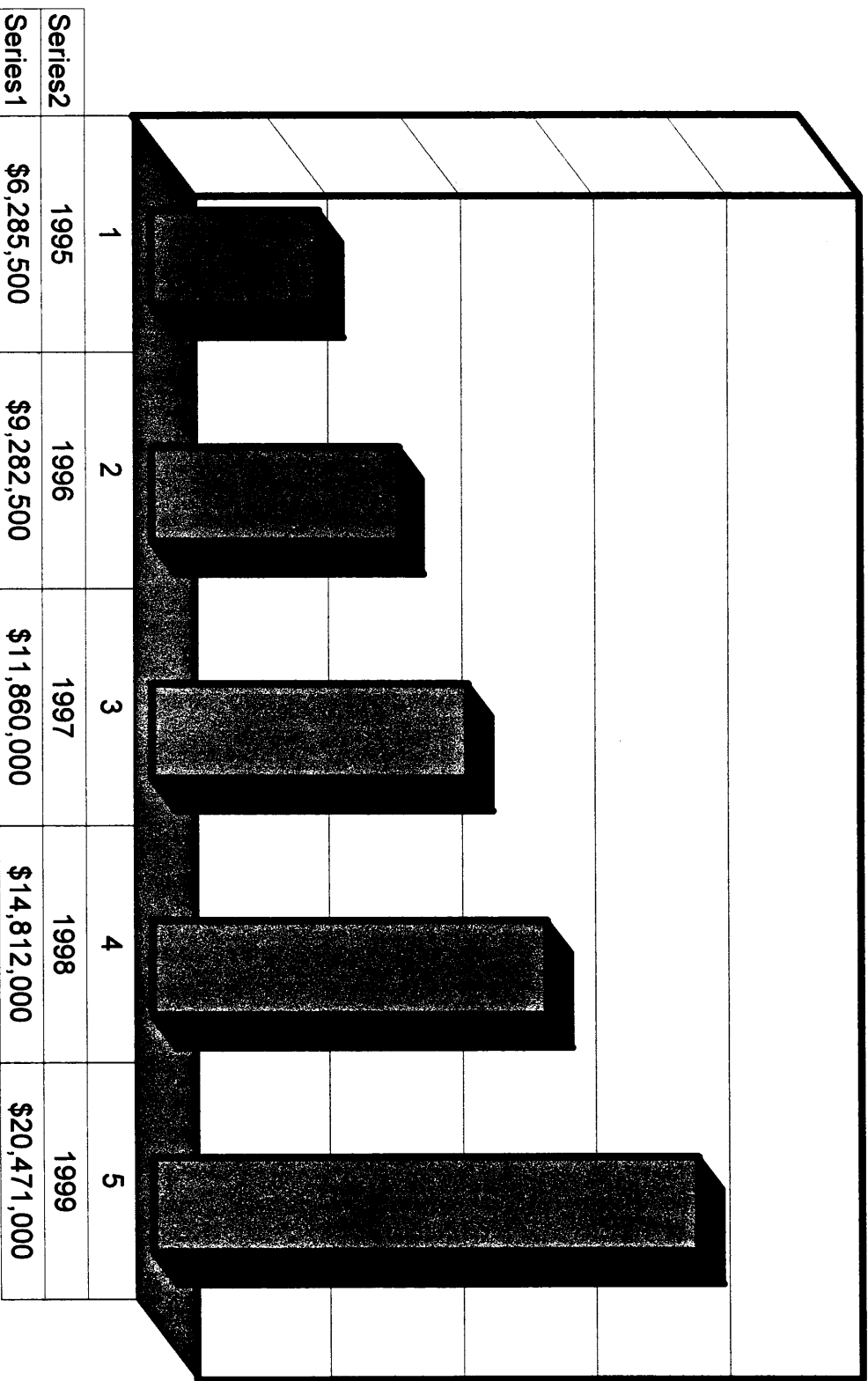
NIZARI PROGRESSIVE FEDERAL CREDIT UNION **CAPITAL GROWTH 1995-1999**



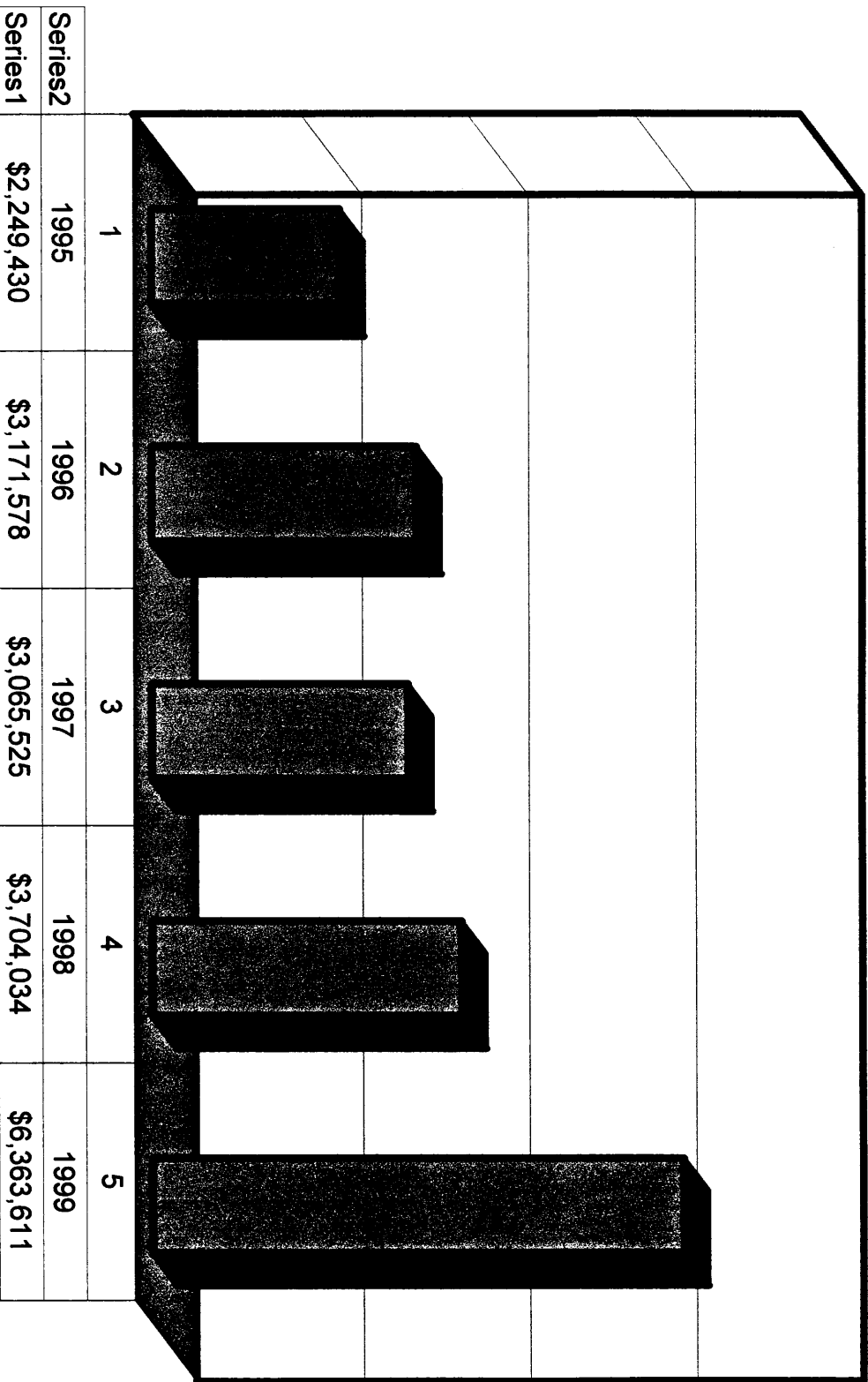
NIZARI PROGRESSIVE FEDERAL CREDIT UNION **ASSETS GROWTH 1995-1999**



NIZARI PROGRESSIVE FEDERAL CREDIT UNION **LOAN GROWTH 1995-1999**

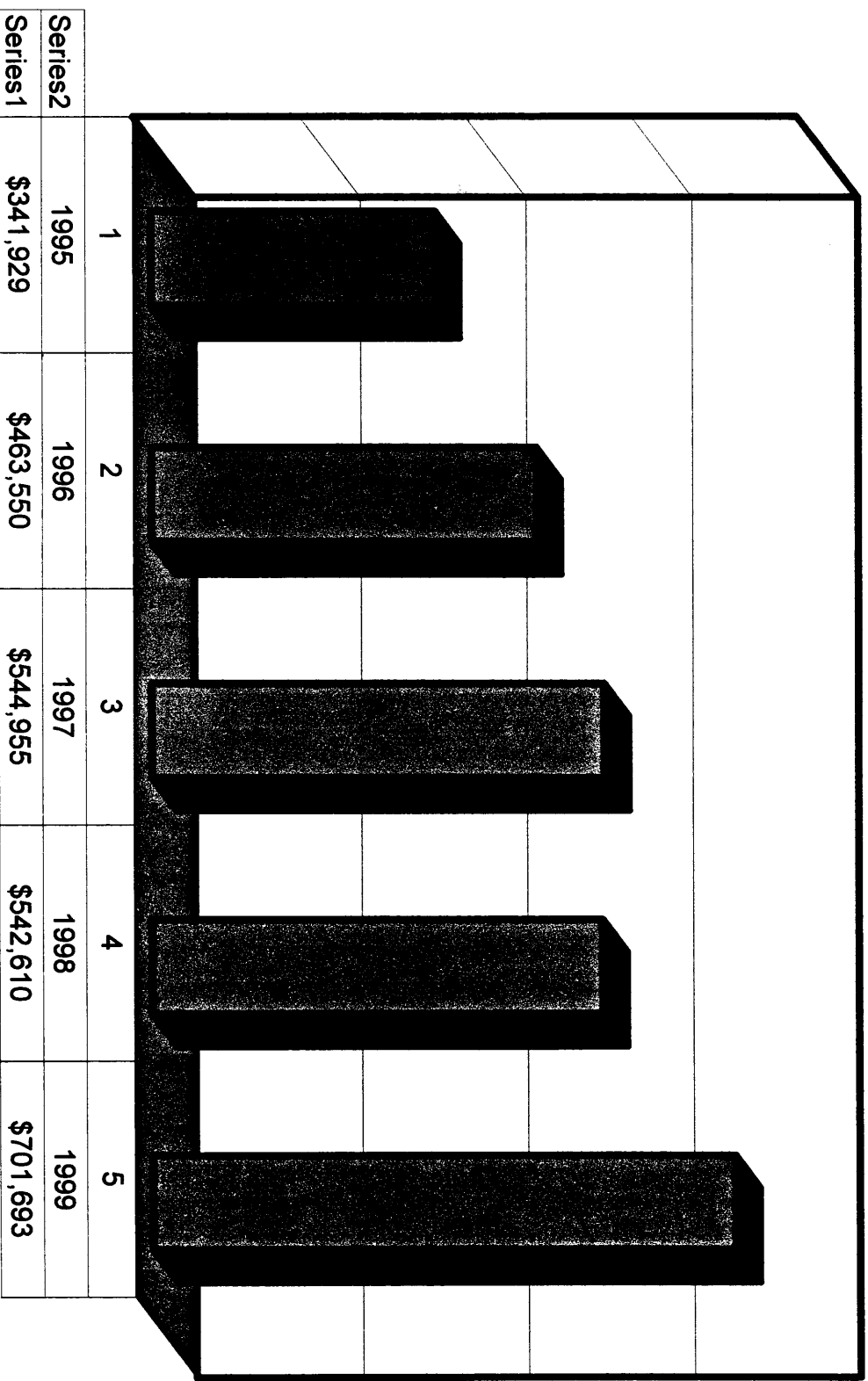


NIZARI PROGRESSIVE FEDERAL CREDIT UNION **OUTSTANDING LOANS 1995-1999**

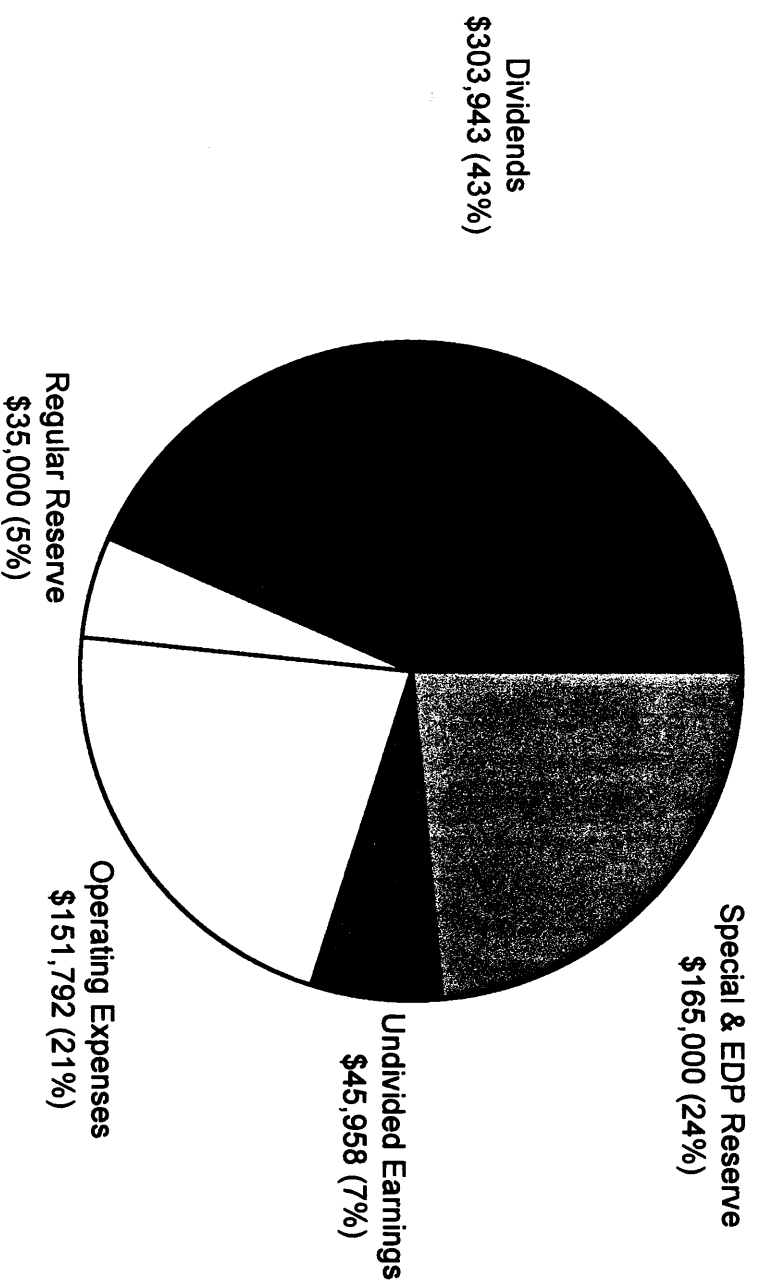


Series2	1995	1996	1997	1998	1999
Series1	\$2,249,430	\$3,171,578	\$3,065,525	\$3,704,034	\$6,363,611

NIZARI PROGRESSIVE FEDERAL CREDIT UNION **INCOME GROWTH 1995-1999**



NIZARI PROGRESSIVE FEDERAL CREDIT UNION
GROSS INCOME DISTRIBUTION 1999
Gross Income \$701,693



BOARD OF DIRECTORS

Karam Ali	Chairman
Nizar Kajani	Vice Chairman
Ibrahim Khanmohamed	Secretary
Nurudin K. Damani	Treasurer
Akbarali I. Ghesani	Director
Kassamali Momin	Director
Abdul Sultan Sundrani	Director
Sadiq Dosani	Director
Akber Ali Khoja	Director
Roshanally H. Merchant	Counsel

CREDIT COMMITTEE

Abdul Sultan Sundrani	Chairman
Abdul Hamid Gulamali	Secretary
Sadrudin K. Ali	Member
Barkat Ali	Member
Ramzan Ali Farishta	Member

SUPERVISORY COMMITTEE

Sadiq Dosani	Chairman
Hussain Jawer	Member
Salma Kurjee	Member

PERSONNEL

Mansoor Ali Tejany	CEO
Akbarali I. Ghesani	Manager
Dilshad Dhosani	Office Assistant

FINANCIAL SERVICE CENTERS

AUSTIN

MANAGEMENT COMMITTEE

Jaffar Ali Peermohammad	Chairman
Amir T. Momin	Secretary
Mohammed A. Momin	Member
Feroz A. Rajkotwala	Member
Allauddin N. Momin	Member

SAN ANTONIO

MANAGEMENT COMMITTEE

Sadraddin Ali	Chairman
Karim Khanmohamed	Secretary
Suleman Hooda	Member
Kabir Kradiya	Member
Mansoor Kapadia	Member

DALLAS

MANAGEMENT COMMITTEE

Abdul Aziz Rupani	Chairman
Aly Hussaini	Secretary
Barkat Ali Basaria	Member
Malik Barrister	Member
Shaukat Sayani	Member

Your Savings Federally Insured up to

\$100,000

by the National Credit Union Administration

a U.S. Government Agency

Nizari Progressive Federal Credit Union

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Hours

Monday – Friday

10.30 a.m. – 5.00 p.m.

&

One Hour after Jamatkhana