

NIZARI PROGRESSIVE

FEDERAL

CREDIT UNION

ELEVENTH

ANNUAL REPORT

&

GENERAL MEETING

APRIL 7TH & 8TH, 2001

HOUSTON/DALLAS, TEXAS

March 20, 2001

TO: ALL MEMBERS

FROM: SADIQ DOSANI, SECRETARY

SUBJECT: ANNUAL MEETING OF MEMBERS

The 2000 Annual Meeting of the members of **NIZARI PROGRESSIVE FEDERAL CREDIT UNION** will be held on **SUNDAY APRIL 8, 2001 at 1.00 P.M.** at **ROYAL BANQUET HALL**, 11933 Bissonnet, Houston, Texas 77099 (for Houston members) and on **SATURDAY APRIL 7, 2001 at 8:30 P.M. at AL-MARKAZ BANQUET HALL**, 1205 W. Trinity Mills, Carrollton, Texas 75006 (for Dallas members).

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 five candidates to the Board of Directors (to replace five existing Directors whose terms are expiring)
- Any other business with the permission of the Chair.
- Adjournment.

FOOD WILL BE SERVED AFTER THE MEETING.

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CHAIRMAN'S REPORT 2000

On behalf of the Directors of the Nizari Progressive Federal Credit Union, I am pleased to welcome you today to the 11th Annual General Meeting and to present the highlights of the Annual Report for the year ending December 31, 2000.

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 3.9%, 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	1999	2000	% Inc/Dec
Capital	1,135,592	1,521,946	34.0%
Shares	6,235,459	10,187,399	63.3%
Loans Made	5,659,000	8,723,000	54.1%
Gross Income	701,693	1,120,724	59.7%
Expenses	151,792	206,864	36.3%

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

RATIOS	NIZARI	PEER
Capital to Assets	12.9%	12.9%
Total Loans to Total Shares	107.6%	77.7%
Total Loans to Total Assets	93.6%	66.9%
Delinquent Loans to Loans	1.3%	1.2%

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

In 2000, the Board decided to pay 7.5% dividend to the members which is ½% higher than last year.

POINTS TO BE NOTED

It is also to note at this point that we have increased our directorship from nine members to eleven members.

I am also pleased to inform the membership that we have made a donation of \$ 10,000 to Institute of Ismaili Studies for the period of four year.

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 daytime for business consider this a great blessing, better convenience and easy access.

NEW PRODUCTS AND SERVICES

In the planning session of 2000, the Board decided to introduce the following programs;

- STUDENT LOANS to be implemented thru AKEB and commitment of one million dollars over the period of four years.
- CERTIFICATE OF DEPOSITS (Temporarily discontinued 03/30/01)

As of today, the two of the above programs have already been implemented and the response from the membership was worthwhile.

CENTER IN DALLAS PROGRESS

As you all know that Dallas center was opened August 1999, and we have since received tremendous respond from the Dallas Jamat. As on December 31, 2000 the total number of members was approximately over 600 and the share deposit stood at about \$1.9 million. The total amount of loan granted to members in Dallas at the close of the year was around \$1.2 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 Vice Chairman Mr. Nizar Kajani is leaving us due to certain business and personal engagements. During his tenure of office as a Vice Chairman, Chairman of Supervisory Committee and the member of the Board for the last 5 years, 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 praiseworthy. To him we offer our sincerest thanks and wish success in his endeavors.

I also wish to commend the meritorious services of Mr. Akbarali I. Ghesani who is also retiring today from the Board of Directors. His long 11 years of service as a Director has contributed greatly towards the growth and progress of the credit union. I wish him success in his future endeavors. I also offer my sincerest thanks for what a great job done.

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

DILAWAR AJANI
Chairman

NIZARI PROGRESSIVE FEDERAL CREDIT UNION
Treasurer's Report - 2000
Financial Statements for the Year 2000

Balance-Sheet as at December 31, 2000

<u>Assets</u>		<u>Liabilities</u>	
Loans to Members	10,956,580	Members' Regular Shares	8,330,527
Cash at Bank	246,458	Members' Special Shares	1,096,872
Investments	371,393	Certificate of Deposits	760,000
Deposit with NCUSIF	61,657	Reserves:	
Fixed Assets	60,499	Regular Reserve	500,000
Prepaid Expenses	5,913	Reserve for Contingencies	600,000
Sundry Deposits	7,803	Provision for EDP Upgrade	80,000
		Undivided Earnings	327,229
		Donated Equity	<u>2,900</u>
		Interest on CDs Payable	11,817
		Sundry Liabilities	958
	<u>\$11,710,303</u>		<u>\$11,710,303</u>

<u>Income</u>		<u>Expenditure</u>	
Interest Income	1,067,804	Employees' Compensation & Benefits	118,016
Interest on Loans	1,081,374	Travel and Conference Expenses	1,773
Less: Interest on Borrowings	1,753	Office Occupancy Expenses	25,928
Less: Interest on CDs	<u>11,817</u>	Office Operations Expenses	32,005
Income from Investments	20,633	Loan Servicing Expenses	2,063
Entrance Fees	6,960	Educational & Promotional Exp	250
Fees & Charges	25,327	Professional and Outside Services	6,271
		Insurance - Bond & Others	4,326
		NCUA Operating Fees	1,552
		Association Dues	3,855
		Donation	2,500
		Annual Meeting Expenses	4,085
		Miscellaneous Operating Expenses	<u>4,240</u>
		Total Operating Expenses	\$206,864
		Operating Gains	<u>913,860</u>
Total	<u>\$1,120,724</u>	Total	<u>\$1,120,724</u>

Statistical Information

Number of Members	2,950
Outstanding Loans	735
Loans since commencement	Amount \$29.2 Millions
Loans since commencement	Number 2,007

Distribution of Gross Income

Operating Expenses	206,864
Dividends	539,323
Transfer to Regular Reserve	211,000
Transfer to Reserve for Contingencies	115,000
Transfer to Undivided Earnings	<u>48,537</u>
	<u>\$1,120,724</u>

Farooq A. Esani
Treasurer

CREDIT COMMITTEE REPORT 2000

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 2000.

During the year the total number of loan applications approved was 499 compared to last year of 251, an increase of 99%. 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 \$ 8,723,000 compared to last year for \$ 5,659,000, an increase of 54%. The monthly average loan was \$ 726,900 compared to last year of \$ 471,580.

The Committee appreciates the co-operative spirit of borrowers in supplying pertinent information and documentation required to process their applications speedily. 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 2000 a successful year.

Thank you.

Akber Ali Khoja
Chairman

SUPERVISORY COMMITTEE REPORT 2000

I am pleased to report that keeping in view the growth and size of our credit union, this year we had hired an outside independent auditor to do the detailed and comprehensive audit of our credit union.

The following accounting records were inspected and verified and his findings are that with few exceptions, the records were found to be correct and accurate.

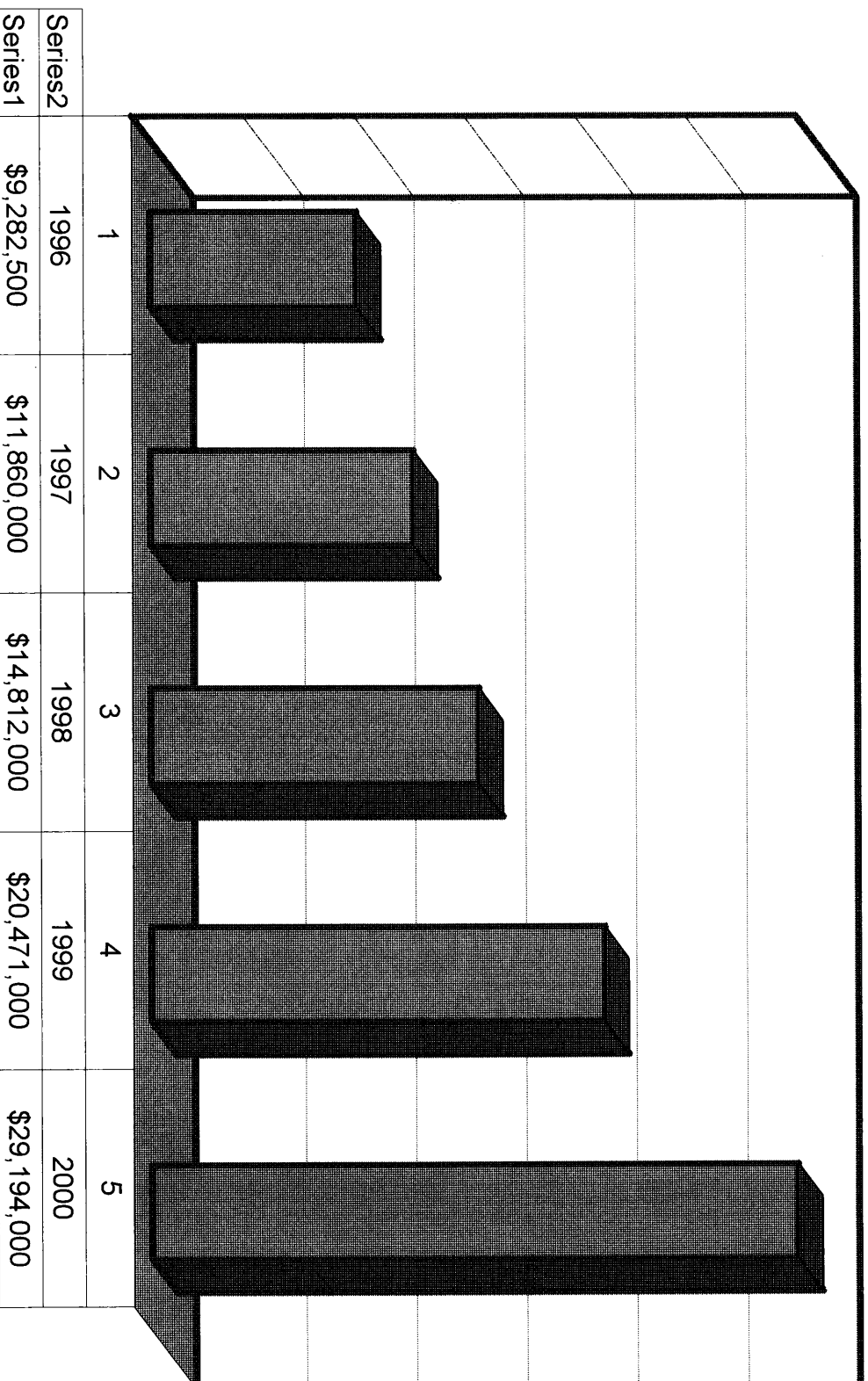
Petty Cash Account	Bank Reconciliation
Members' closed Accounts	Fixed Assets
Members' Shares and Loan Accounts	Loan Documentation
Trial Balance and Balance Sheet	Outstanding Loans

As per his findings and beliefs 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 condition.

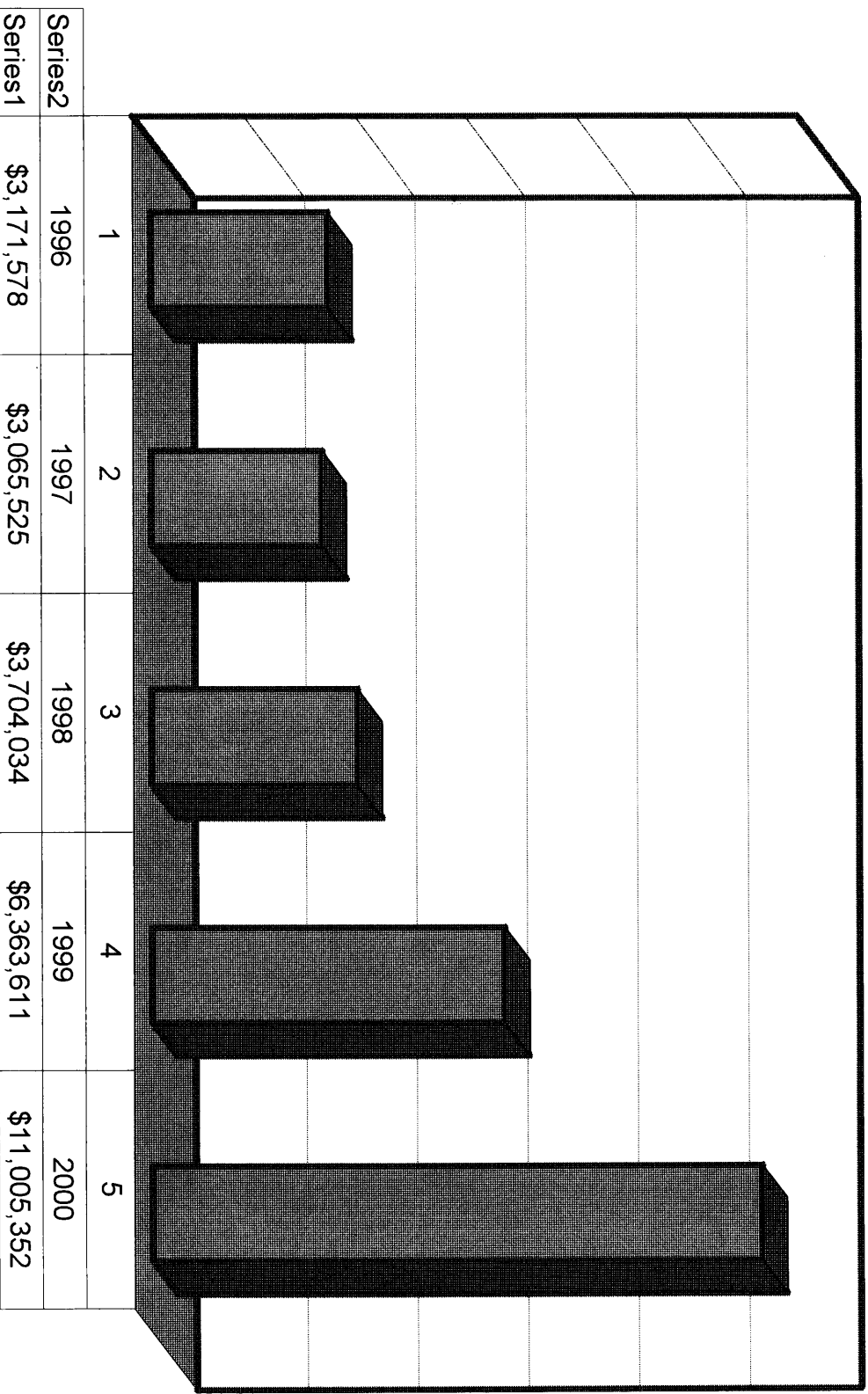
Thank you.

Barketali Roopani
Chairman

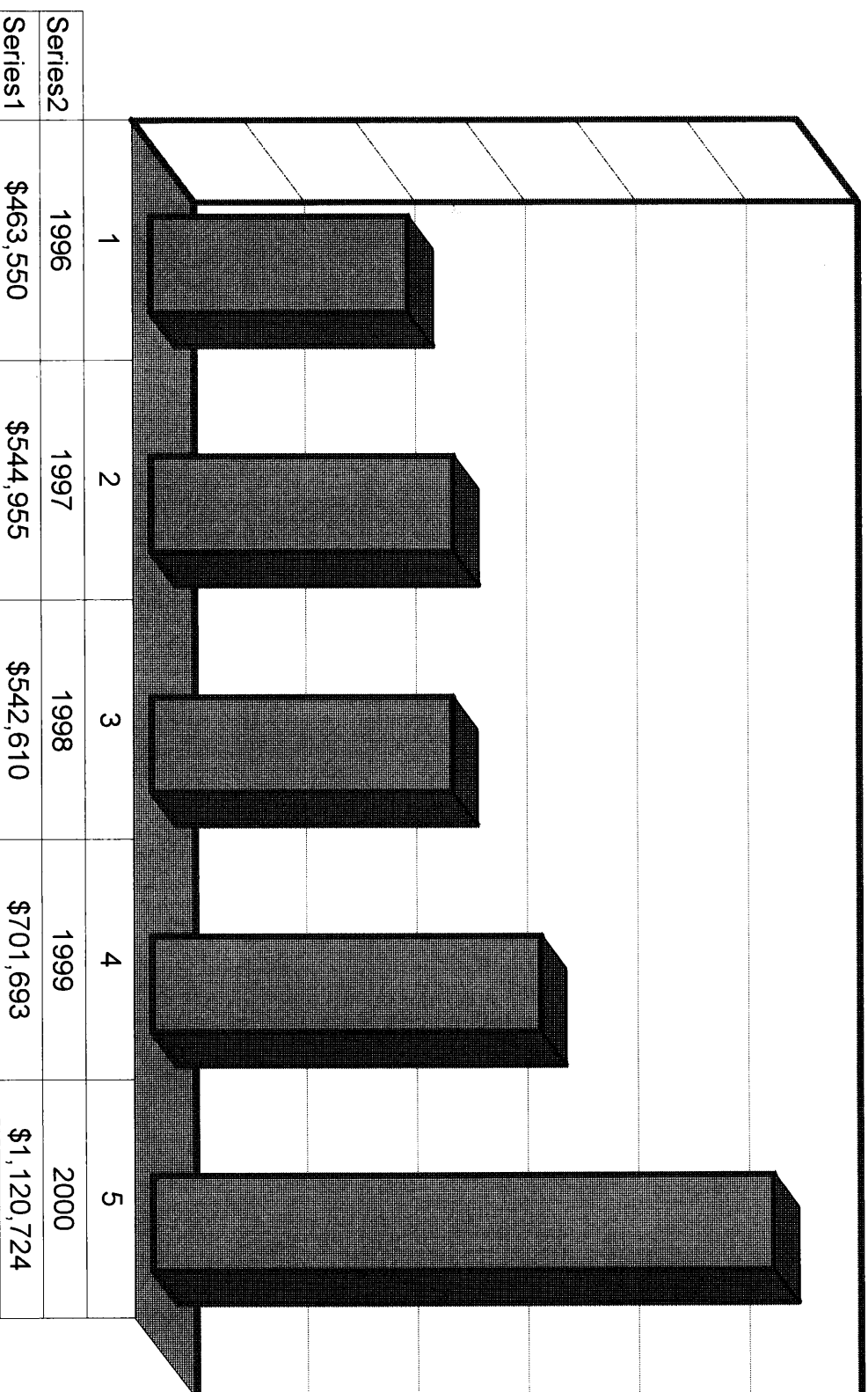
NIZARI PROGRESSIVE FEDERAL CREDIT UNION **LOAN GROWTH 1996-2000**



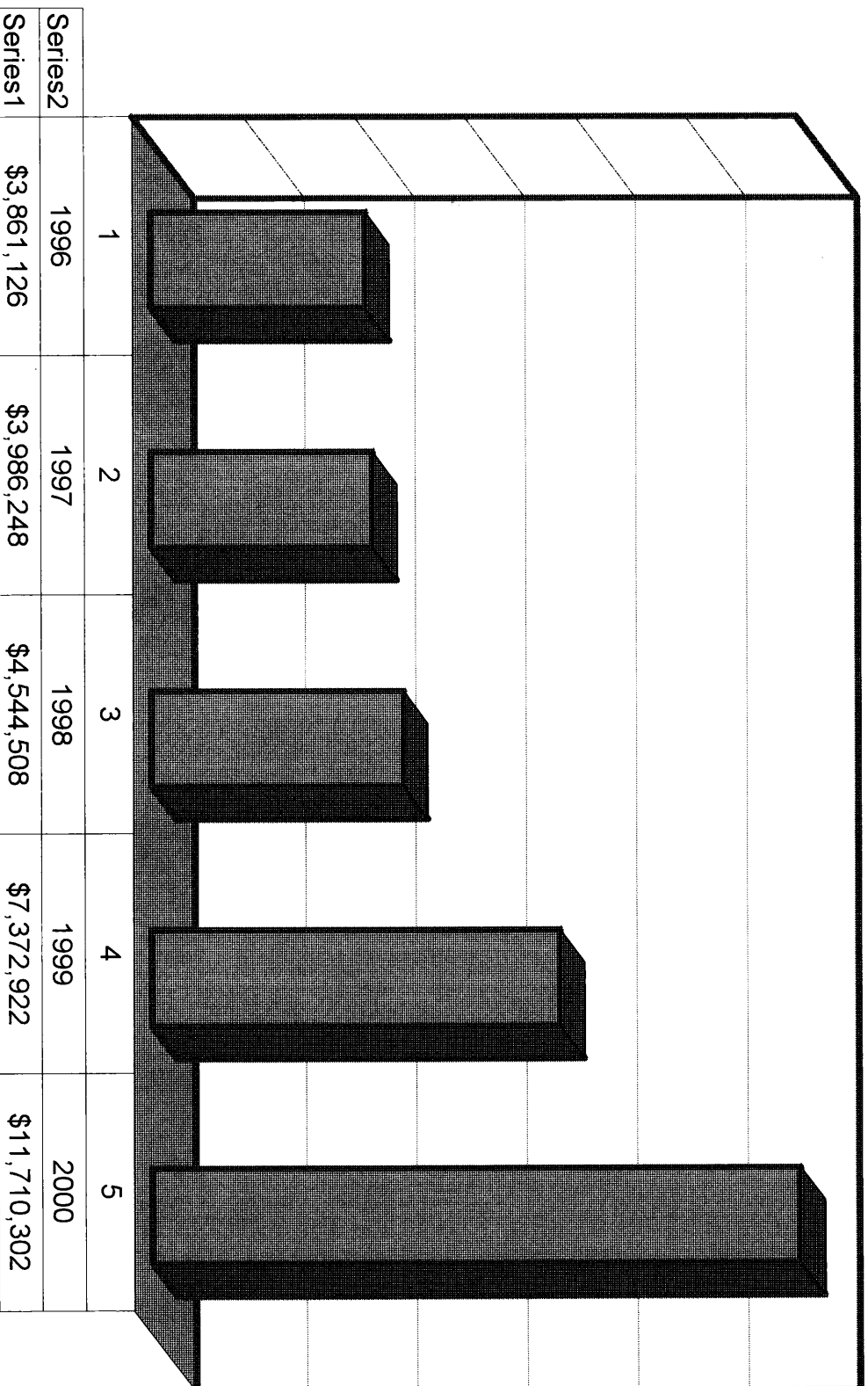
NIZARI PROGRESSIVE FEDERAL CREDIT UNION **OUTSTANDING LOANS 1996-2000**



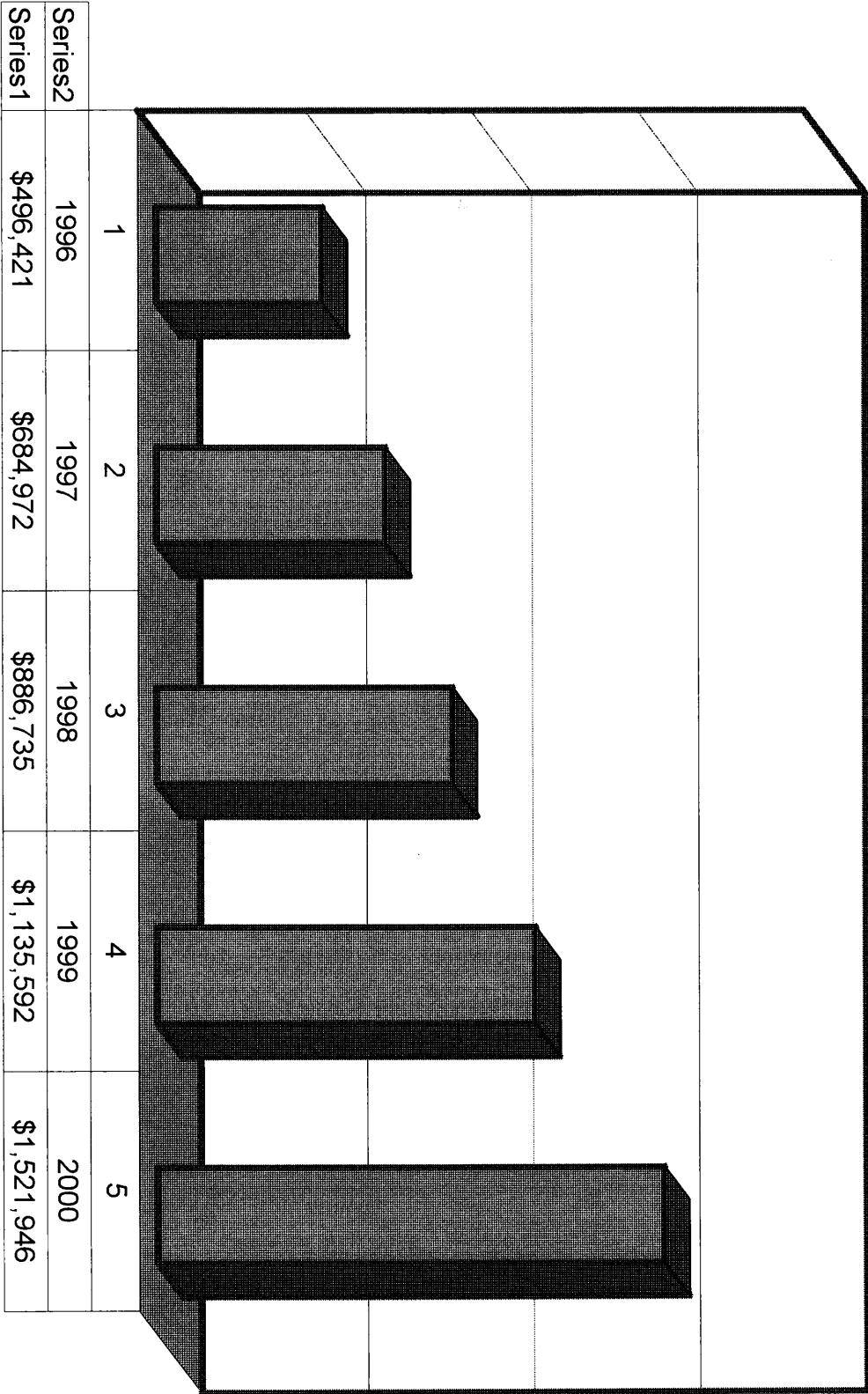
NIZARI PROGRESSIVE FEDERAL CREDIT UNION **INCOME GROWTH 1996-2000**



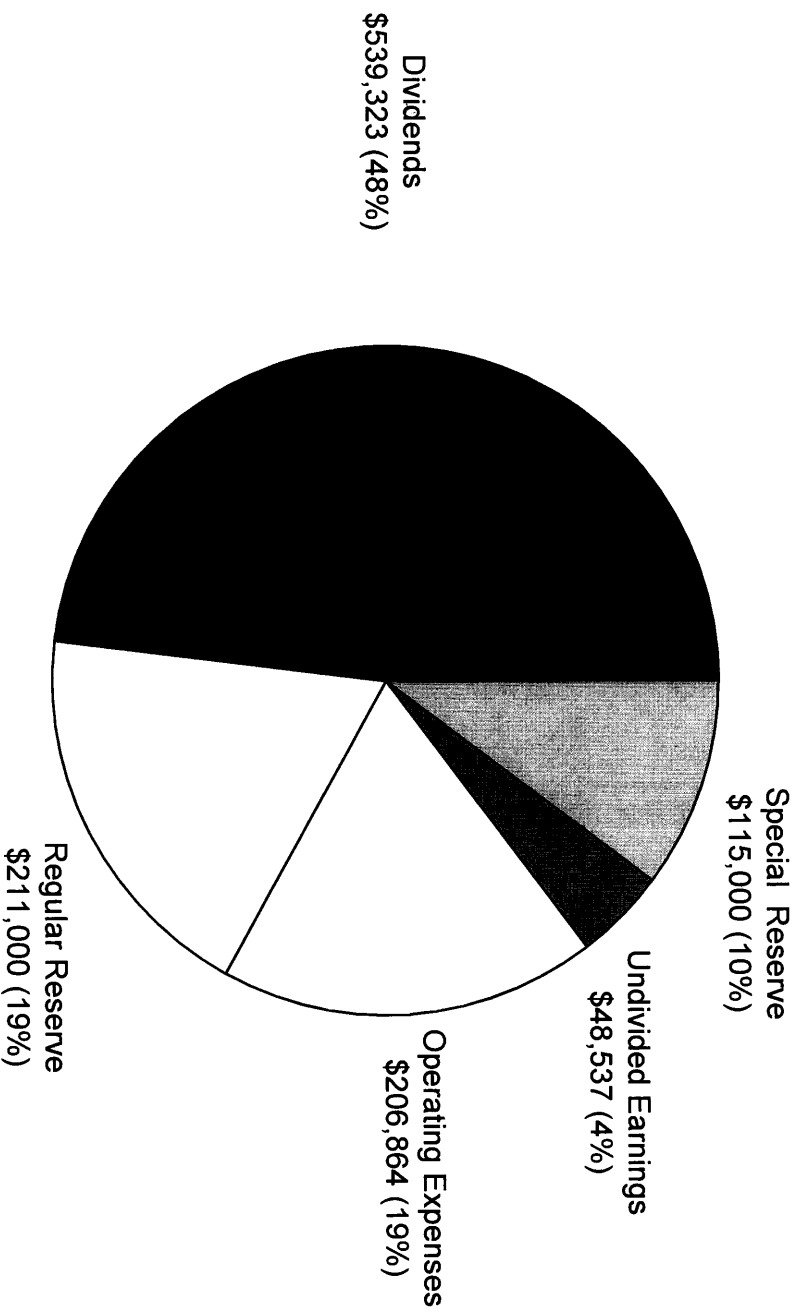
NIZARI PROGRESSIVE FEDERAL CREDIT UNION **ASSETS GROWTH 1996-2000**



**NIZARI PROGRESSIVE FEDERAL CREDIT UNION
CAPITAL GROWTH 1996-2000**



**NIZARI PROGRESSIVE FEDERAL CREDIT UNION
GROSS INCOME DISTRIBUTION 2000
Gross Income \$1,120,724**



BOARD OF DIRECTORS

Dilawar Ajani	Chairman
Nizar Kajani	Vice Chairman
Sadiq Dosani	Secretary
Farooq Esani	Treasurer
Akbarali I. Ghesani	Director
Kassamali Momin	Director
Akber Ali Khoja	Director
Badrudin Budhwani	Director
Barketali Roopani	Director
Abdul Aziz Rupani	Director
Aly Hussani	Director

CREDIT COMMITTEE

Akber Ali Khoja	Chairman
Abdul Hamid Gulamali	Secretary
Sadrudin K. Ali	Member
Barkat Ali	Member
Ramzan Ali Farishta	Member

SUPERVISORY COMMITTEE

Barketali Roopani	Chairman
Hussain Jawer	Member
Salma Kurjee	Member

PERSONNEL

Mansoor Ali Tejany	Manager
Azizuddin Karimi	Loan Officer
Naureen Hussani	Office Assistant
Salima Mawjee	Office Assistant

FINANCIAL SERVICE CENTERS

AUSTIN

MANAGEMENT COMMITTEE

Mr. Mubarak Maknojia	Chairman
Mr. Jaffer Ali Peemohammed	Member
Mr. Feroz Rajkotwala	Member
Mr. Mohammed Ali Momin	Member

SAN ANTONIO

MANAGEMENT COMMITTEE

Mr. Sadruddin A. Ali	Chairman
Mr. Karim Khanmohammed	Secretary
Mr. Suleman Hooda	Member
Mr. Kabir Kradiya	Member
Mr. Mansoor Kapadia	Member

DALLAS

MANAGEMENT COMMITTEE

Mr. Abdul Aziz Rupani	Chairman
Mr. Aly Hussaini	Secretary
Mr. Malik Barrister	Member
Mr. Barkat Ali Basaria	Member
Mr. Sikander Nayani	Member
Mr. Anwar Heerji	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.

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One Hour after Jamatkhana(Mon, Wed & Friday)