



# **NIZARI**

**PROGRESSIVE FEDERAL  
CREDIT UNION**



**2020 Annual Report**



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*Building a Stronger Community for  
Future Generations!*



**NIZARI**  
PROGRESSIVE FEDERAL  
CREDIT UNION



## *Board of Directors*



**Malik Jamal**  
Chairman



**Naveed Ali**  
Vice Chairman



**Imran Ali**  
Secretary



**Shaukat Jaffer**  
CEO



**Rafiq Dhanani**  
Director



**Gulam Mohammad Nanjee**  
Director



**Amin Lakhani**  
Director



**Sajjad Mussani**  
Director



**Mahsooma Aziz**  
Director



**Natasha Somani**  
Director

*Message from the Chairman*

Malik Jamal - Chairman

Dear Nizari Members,

Ya Ali Madad. 2020 has been a unique year to say the least. The pandemic has had an impact on all of us to varying degrees. However, through these difficult times we have realized Nizari's resilience and strength as a credit union. While Nizari has seen tremendous growth over the past 30 years, the staff's passion and commitment to our community has remained strong. This is when unity and working together take on an even greater meaning for serving our Jamat.

In 2020, our goal at Nizari was to provide exceptional customer service to our members while ensuring their safety and the safety of Nizari's employees. We implemented new health and social distance protocols in our branches to keep our members and employees as safe as possible. We continue to offer the ease and convenience of digital banking tools to allow secure access to your finances wherever you go.

As we look forward to the rest of 2021, we are excited for what the new year holds – in particular, completing the construction of our new branch in Dallas. We understand that there will be challenges ahead, but we remain hopeful for the future. Let's continue to encourage, support, and inspire one another. We're all in this together.

I must congratulate our management team and the entire staff for another successful year. The entire Board of Directors thanks you all for your dedication and hard work. I also wish to thank my Board for their continued service and exemplary volunteerism.

Respectfully submitted,

Malik Jamal  
Chairman



## *Message from the Chief Executive Officer*

Dear Members of Nizari,

I am pleased to present you the financial and operating results of 2020. It was a unique year in view of the pandemic and its economic fallout. Though the situation is relatively better, still it's not over yet. We enacted health and safety protocols to minimize exposure to the virus while ensuring you have access to your funds and our full array of services whenever you needed them.

Nizari witnessed a phenomenal asset growth increase of 34% (\$ 59.2 million) in 2020 over the last year to \$233 million. Besides funding loan growth of 9.8% (\$13.6 million), excess funds were invested (\$38 million) to supplement interest income from loans. Total loan portfolio was \$152.1 million while share balance (deposits) exceeded \$200 million mark. Capital ratio was 10.02% after adding a \$1.7 million to the capital account. Drastic increase in asset base diluted capital ratio over last year; however, it is well above the regulatory requirement of 7%.

The total close-end loan origination was \$64.2 million which included home mortgage loans of \$23.2 million and auto loans \$17.4 million resulting in good loan growth while the open-end loan granted was \$ 1.1 million. However, loan yield reduced because of low interest environment. As an approved SBA lender, we implemented the Paycheck Protection Program for business accounts originated over \$5 million and another \$2 million via third party. We launched emergency loan programs for community members so that they could cater to their immediate needs. Loan extension and modification were implemented for over 690 members to facilitate them to manage their cash flow situation.

One of the major milestones for 2020 was the acquisition of a property in Dallas to re-locate the existing branch to make it a full service banking facility, expected to be operational by June 2021. It will have a drive through and safe deposit box services. It is going to a very nice facility for our members and staff alike with ample space to interact and work comfortably. A Mortgage Loan Officer is now available at each of the three locations to work with members more closely, improve communications and efficiency in member service. We implemented LoanPay Xpress, self-service software whereby members can set up their own ACH for loan payments.

As part of our mission, we continued to collaborate with Jamati Institutions to support their programs. We appreciate EPB for organizing educational webinars on different loans and assistance programs offered by the government under the Economic Stimulus Package for the people to navigate through the crisis from the pandemic. Life is now gradually returning to normalcy as people are getting vaccines and hopefully it would be over soon. We would like to thank you for your understanding and cooperation to stay in compliance. We not only maintained but strengthened the financial health of the credit union, though it was quite a unique and challenging year. I would like to thank the Board of Directors for their ongoing support and guidance and our team of associates at Nizari for going above and beyond to make things happen and their outstanding teamwork.

Conducted periodic member experience survey to seek members' feedback on product offerings and to improve services. Overall average score for member satisfaction for the surveys conducted in 2020 was 92%. We thank you for your feedback and preferring Nizari for your financial services as it enhances our capacity to give back more to our community.

I am grateful to you for supporting our vision of "Preferred financial institution of the Ismaili community".

With Best Wishes

Shaukat Jaffer  
CEO



Shaukat Jaffer - CEO



## *Supervisory Committee Report*



Gulam Mohammed Nanjee  
Chairman,  
Supervisory Committee

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 policies 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, 2020. This year the required annual review, as in the past, was performed by Credit Union Resources, Inc.

The audit was performed in accordance with the requirements set forth in Section 715.7(c) of the NCUA rules & regulations. According to the report from Credit Union Resources, Inc., reflects no material exception to the Nizari Progressive 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, we feel comfortable in stating that the annual financial statement is a good reflection, of the Credit Union's state and its financial strength.

### Economic Outlook

Nizari had a successful year in 2020, despite the COVID-19 pandemic. We are optimistic that 2021 will also have a robust economy. This is due to the federal government passing a large economic stimulus which included helping small businesses, increasing support for child care, and providing direct stimulus checks to Americans. There is also a \$2-trillion infrastructure bill in the pipeline, which will repair much of the country's dilapidated roads and bridges, which, we believe, will trickle down to benefit our business community.

According to the Federal Reserve, due to widespread vaccination and strong fiscal support, strong monetary policy support, the economy, and job creation will grow much faster than initially predicted.

Overall, the growth rate projection for 2021 is approximately 7%. We feel confident that Nizari is set up to benefit from this robust economy in 2021 and beyond.

We want to assure that Nizari has a strong balance sheet, a great management team, and a dedicated Board of Directors. We are hopeful that the end of the pandemic is near, and Nizari will continue to prosper despite of obstacles that may arise.

Sincerely,

Gulam Mohammed Nanjee  
Chairman, Supervisory Committee



## Member Testimonials

Ya ali Madad,

I would like to thank Mr. Navid Chagani from Dallas office who really helped me out with all my documentation and financing process. He was responsive & helpful. He did everything possible to give us good experience at Nizari PFCU. Excellent customer service & team work!!! I will recommend it to everyone I know. They have great services to offer. Thanks

Nadiya Moosani

We had a great experience using Nizari Credit Union for Financing. The customer support and rates were amazing! We had a smooth and easy process with Nizari to get our auto loan. We will continue using them in the future and recommend them to our family and friends. Thank you again for the great support and assistance!

Karim Bhai

Best bank employee staff ever. I have been to many different banks, Sugar Land Nizari service is by far the best. I recently bought a car and had it financed through Nizari and everyone went above and beyond to get my loan financed the very same day. Noor Ali and Yaseen who are loan officers did everything to get my loan quickly approved and Sairoz helped me save a few extra dollars on taxes. Also, Malik Kherani was super helpful coordinating everything in timely manner making sure everything got handled appropriately.

Imran Lakhani

Thank you very much for your excellent work. The way you handled the car loan recently. I was very delighted. You were on time and promptly finished the work. Wish you luck.

Nasarullah



Hi Kiran & Shermeen,

It was an awesome experience working with you guys applying for PP loan. I have never got such a good service from any banker in past. Thanks a lot for your help making process easy.

Thanks,  
Alnoor Tharani  
Misbah Business INC



Greetings,

I wanted to let you know you guys are doing an awesome job. I worked with Mr. Chagani in Dallas. He was very professional, helpful and an absolute delight to work with. Thanks so much!

Mohammad Budhwani

# Statement of Financial Condition



As of December 31, 2020

ASSETS	December 31, 2020	December 31, 2019
Loans to Members	\$152,112,813	\$138,470,086
Less: Allowance for Loan Losses	(1,576,987)	(1,386,073)
<b>Total Loans</b>	<b>150,535,826</b>	<b>137,084,013</b>
Cash on Hand and in Banks	24,986,129	19,532,284
Investments	48,382,547	10,068,993
Advance, Deposits Prepayments & Other Receivables	3,434,542	2,630,667
Advance For Capital Expenditure	101,472	-
Property, Equipment & Furniture	6,144,666	4,963,798
Less: Accumulated Depreciation & Amortization	(1,726,169)	(1,500,786)
<b>Net Fixed Assets</b>	<b>4,418,497</b>	<b>3,463,012</b>
Accrued Interest on Loans & Investments	1,049,445	939,964
<b>Total Assets</b>	<b>\$232,908,458</b>	<b>\$173,718,933</b>

LIABILITIES AND EQUITY	December 31, 2020	December 31, 2019
Payable & Accrued Liabilities	\$2,824,331	\$1,346,898
Borrowing From Bank	5,300,000	2,000,000
<b>Total Liabilities</b>	<b>8,124,331</b>	<b>3,346,898</b>
<b>Members' Shares and Deposit</b>	<b>201,408,756</b>	<b>148,841,655</b>
Unrealized Gain/(Loss) on Investments	34,660	(25,961)
Regular and Specific Reserve	5,602,900	5,602,900
Undivided Earnings	17,737,812	15,953,441
<b>Total Equity</b>	<b>23,375,372</b>	<b>21,530,380</b>
<b>Total Liabilities and Equities</b>	<b>\$232,908,459</b>	<b>\$173,718,933</b>

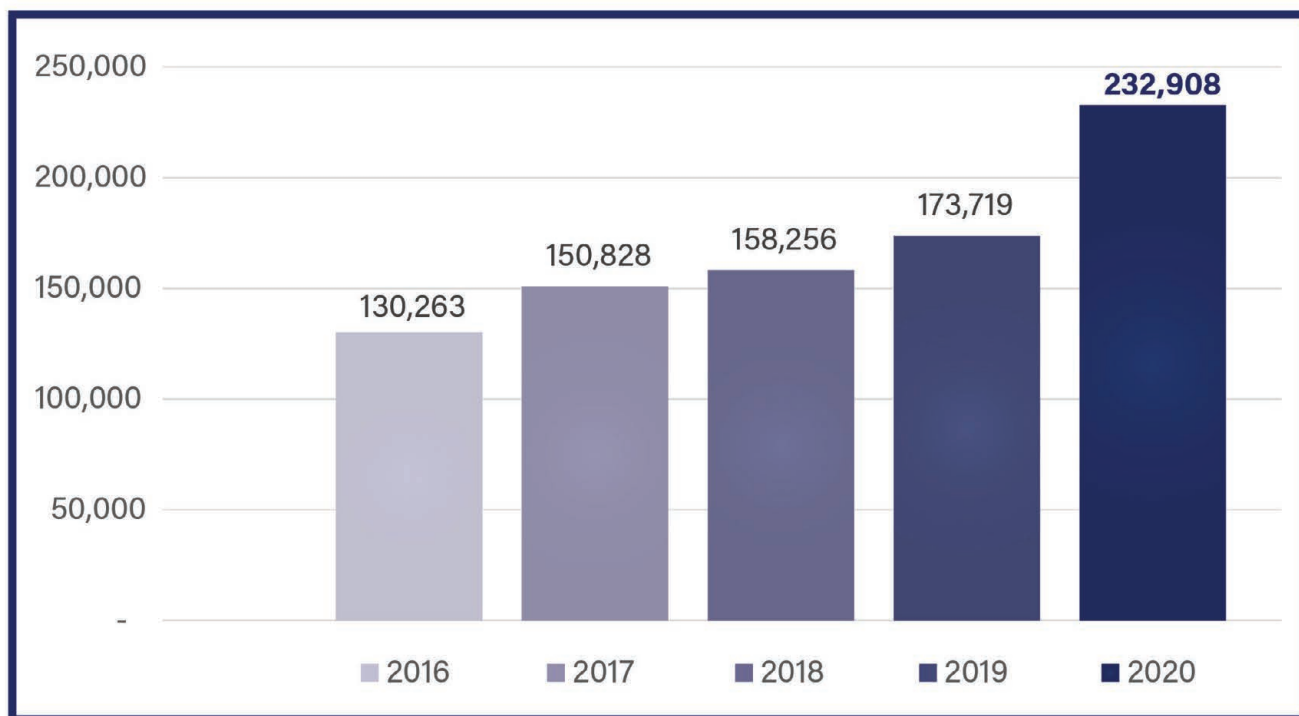


# Statement of Income and Expenses



For the Year Ended December 31, 2020

<b>OPERATING INCOME:</b>	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Interest on Loans	\$6,936,626	\$6,897,336
Income from Investments	358,528	611,511
Fees and Other Miscellaneous Income	1,482,685	1,174,970
<b>Total Operating Income</b>	<b>\$8,777,839</b>	<b>\$8,683,817</b>
<b>OPERATING EXPENSES:</b>		
Employee Compensation	\$2,563,974	\$2,322,343
Employee Benefits	485,803	487,233
Travel and Conference	34,284	95,359
Association Dues	24,241	22,828
Office Occupancy	404,313	372,337
Office Operations and Annual Meeting	1,108,460	1,188,833
Member Education and Promotion	38,965	42,703
Loan Servicing	324,395	349,372
Professional and Outside Services	38,030	69,414
Supervision and Examination	47,331	49,275
Donation	86,600	116,000
Provision For Loan Losses Expense	502,443	740,000
<b>Total Operating Expenses</b>	<b>\$5,658,839</b>	<b>\$5,855,697</b>
<b>Income from Operation</b>	<b>\$3,119,000</b>	<b>\$2,828,120</b>
<b>COST OF FUNDS:</b>		
Dividend to Members	\$1,268,541	\$1,629,599
Interest on Borrowed Money	70,289	45,990
<b>Total Cost of Funds</b>	<b>\$1,338,830</b>	<b>\$1,675,589</b>
<b>NON-OPERATING INCOME:</b>		
Gain on Sale of Loans and Other Assets	4,201	19
Other Non-Operating Income/(Expense)	-	(1,800)
<b>Total Non-Operating Income/(Expense)</b>	<b>4,201</b>	<b>(1,781)</b>
<b>Net Income</b>	<b>\$1,784,371</b>	<b>\$1,150,750</b>

*Graphical Presentation***Total Assets \$000's****Loans To Members \$000's**



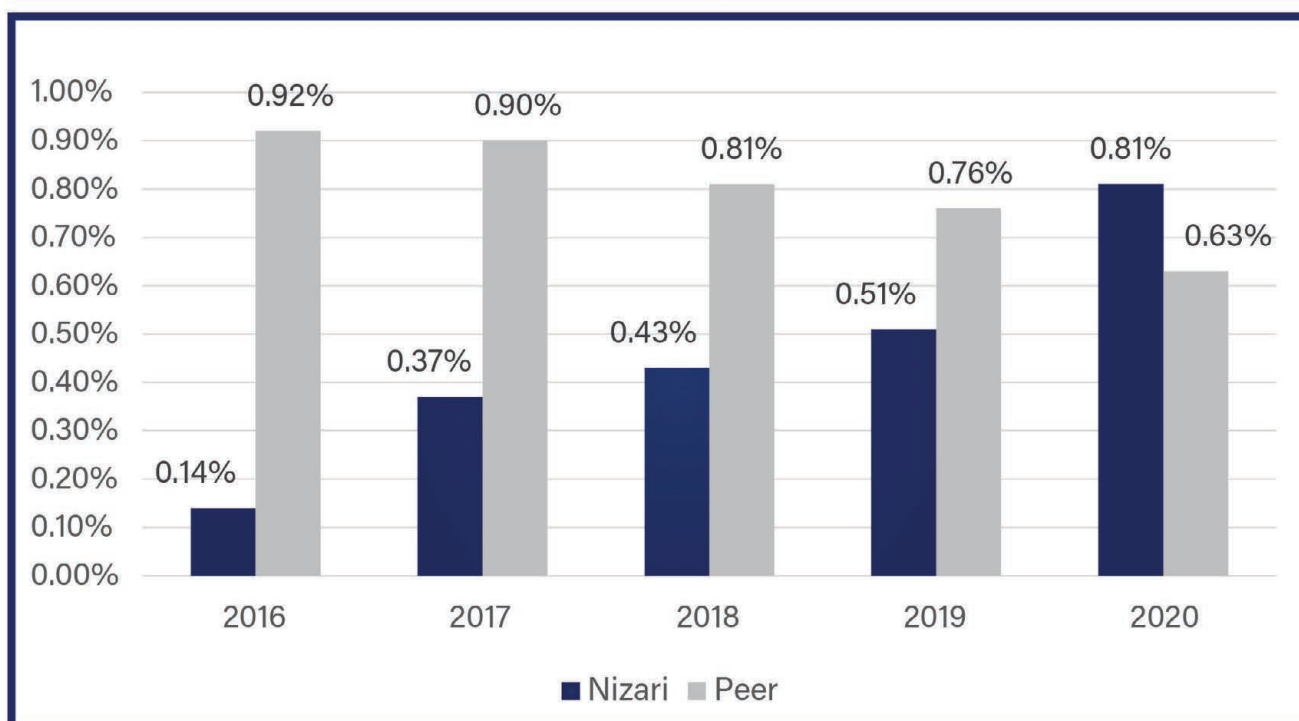
*Graphical Presentation***Membership Count****Members' Savings \$000's**

## Graphical Presentation

### Net Worth \$000's



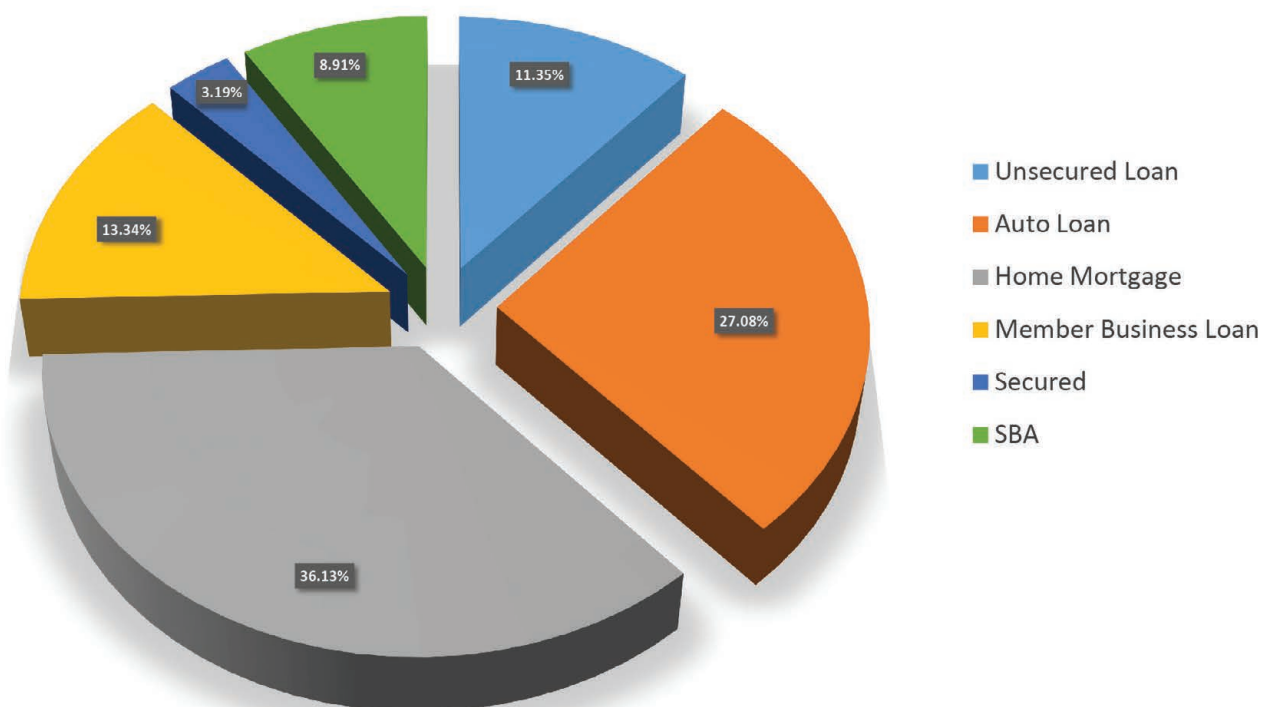
### Delinquency Trend



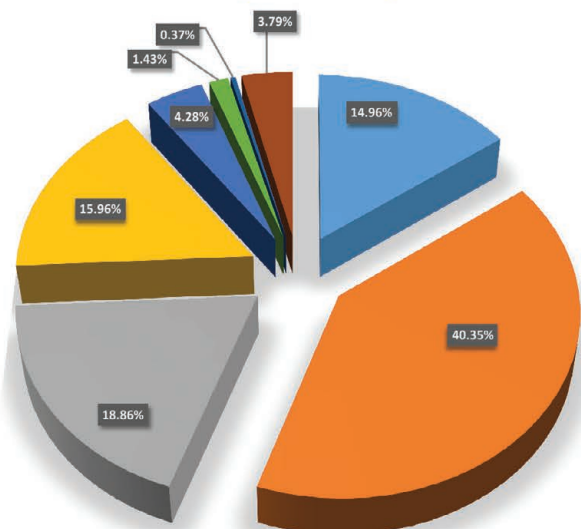


## Graphical Presentation

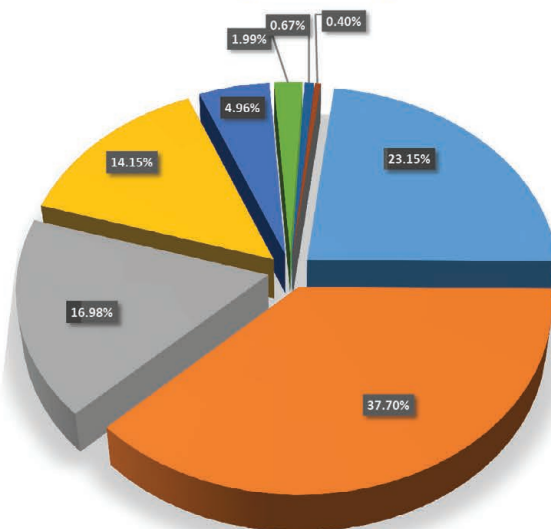
### Total of Closed - End Loans Disbursement \$64.23MM



### Total Loan Portfolio as of December 31, 2020 - \$152.1 MM



### Total Loan Portfolio as of December 31, 2019- \$138.4MM





## *Sponsorships and Participation in the Community...*

### **In Collaboration with EPB and AICC**

### **Electric Vehicles Charging Opportunities & Government Rebates**

### **San Antonio, Austin, Beaumont, Houston, Clear lake and Dallas**





## *Sponsorships and Participation in the Community...*

### Ismaili Girl Scouts Troop #883



### Ismaili Muslim Students Association (IMSA)

Nizari PFCU Sponsored  
IMSA's Shoot 4 Dreams 2020  
for UT Austin Students



On February 9th, 2020,  
Nizari PFCU team members presented  
Fundamentals of Banking/Credit Union to  
Ismaili Girls Scouts Troop #883.



### Aga Khan Foundation's Virtual Voyage

This year once again, Nizari PFCU supported AKF event.  
Due to pandemic, the AKF Walk was postponed  
but we kept the spirit of giving alive by sponsoring the  
AKF's Virtual Voyage at an Impact level.



**AGA KHAN FOUNDATION**  
An agency of the Aga Khan Development Network



# Members Appreciation 2020





## *Management Team*

### Senior Management



**Shaukat Jaffer**  
CEO



**Rozina Rasiyani**  
Director, Lending



**Sohail Shahabuddin**  
Controller

### Management



**Ali M Khowaja**  
IT and Operations Manager



**Shehroz Maredia**  
Marketing Manager



**Eeman Lotia**  
Loan Operations Manager



**Afsheen Bhimani**  
HR Manager



**Najmina Badarpura**  
Head of Compliance



**Malik Kherani**  
Branch Manager  
Sugar Land



**Nafisa Aziz**  
Branch Manager  
Dallas



**Adnan Lakhani**  
Branch Manager  
Austin

*Austin and Dallas Teams*

Austin Branch Staff



**Saherej Karediya**  
Sr. Financial Service Rep.



**Razia Dhuka**  
Sr. Member Services Rep.



**Anita Maredia**  
Teller II



**Farhana Rajwani**  
Teller



**Afsheen Punjwani**  
Teller

Dallas Branch Staff



**Alifia Kheraj**  
Member Services Rep.



**Shamsa Hakani**  
Sr. Financial Service Rep.



**Naveed Chagani**  
Financial Service Rep.



**Shantel White**  
Mortgage Loan Officer



**Serena Virani**  
Teller II



**Amreen Jiwa**  
Teller



**FNU Kiran**  
Teller



*Sugar Land Team*

Sugar Land Branch Staff



**Elvia Longoria**  
Sr. Mortgage Loan  
Underwriter



**Kiran Virani**  
Mortgage Loan Officer



**Rehmatullah Muhammadi**  
Mortgage Loan Processor



**Asif Khuaja**  
Business Loan Supervisor



**Glenn Dsouza**  
Sr. Business Loan Officer



**Alishan Prasala**  
Assoc. Business Loan Officer



**Shermeen Ali**  
Sr. Member Services Rep.



**Afreen Ali**  
Member Services Rep.



**Fnu Yaseen**  
Sr. Financial Service Rep.



**Noor Ali**  
Financial Service Rep.



**Nabil Verani**  
Financial Service Rep.



**Ayesha Khan**  
Financial Service Rep.



**Anisha Momin**  
Teller II



**Rahila Nandwani**  
Teller



**Akber Edhi**  
Teller



**Sanobar Maknojiya**  
Teller

*Corporate Team*

Corporate Staff



**Sahina Momin**  
BSA Officer



**Rehana Karim**  
Compliance Associate



**Sairoz Momin**  
Sr. Consumer Loan  
Underwriter



**Firuz Shukrikhudoev**  
Consumer Loan  
Underwriter



**Enayatullah Sultani**  
Accountant I



**Kousar Dhukka**  
Staff Acct. and RDC Specialist



**Ashifa Bhimani**  
Operations Supervisor



**Nikita Maknojia**  
Sr. Operations Officer



**Daniel Jiwani**  
IT Support Analyst



**Seema Grover**  
Collection Officer



**Seema Momin**  
Administrative Assistant

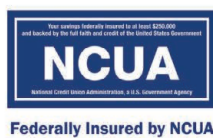


**Indu Menon**  
Administrative Assistant



**Ayesha Malik**  
Solution Center Rep.





NMLS 504851

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

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

Austin Branch  
12730 Research Blvd.,  
Austin, TX 78759  
Tel: (512) 450 - 1401  
Fax: (512) 450 - 1402



**NIZARI** PROGRESSIVE FEDERAL  
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