



NIZARI

**PROGRESSIVE FEDERAL
CREDIT UNION**



**2018
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



Rafiq Dhanani
Secretary



Shaukat Jaffer
CEO



Imran Ali
Director



Gulam Mohammad Nanjee
Director



Amin Lakhani
Director



Sajjad Mussani
Director



Mahsooma Aziz
Director

Message from the Chairman



Malik Jamal - Chairman

Dear Nizari Members,

Ya Ali Madad. It is with great pleasure that I report to our Members that we are celebrating our 30th year in 2019. That's right, our Nizari Progressive Federal Credit Union is 30 years old. Congratulations!! We have completed another successful year at Nizari, and we continue to grow on all fronts. From a humble cooperative society formed three decades ago, we have come together to maintain assets close to \$160 million dollars as of year-end 2018. Deposits, loans, and membership all grew last year, and that is truly a testament to the hard work of our staff and the faith our membership has in the institution. Thank you for your support.

The Jubilee year was particularly special to our community, and we at Nizari were humbled by the opportunity to serve and help the Jamat in various capacities. It has been a privileged and exciting journey with many interesting challenges along the way. We look forward to continuing to serve the Jamat and position Nizari for the next 30 years.

Our goal is to become the preferred financial institution for our community so we can better serve its needs across the country. As such, our relationships with Jamati Institutions, Trade Associations, and various sister organizations continue to be vital. We also recognize the calling to better address the financial needs of our Jamat, particularly those who struggle to access credit. We are excited to expand initiatives with our community institutions and organizations, and we humbly request the continued support of our membership. The core of our credit union relies on the principle that we will all work together to support each other, whether it's through simply saving money with Nizari or ensuring debt obligations are met so they can be reinvested for the next member. Together we can serve even more members of the Jamat.

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

We look forward to continue serving our members and the Jamat in the years ahead.

Respectfully submitted,

Malik Jamal
Chairman

Message from the CEO



Shaukat Jaffer - CEO

Dear Valued Members,

Year 2019 marks the 30th anniversary of Nizari's existence from a humble beginning in 1989. It could not have been possible without the vision of the founding members and the subsequent boards and the management teams' hard work and commitment to make it a full service financial institutions serving its members and community at large. Currently, we have 48 associates working for three full service branches in major cities in Texas and a corporate office to support walk-in, online and remote banking services nationwide.

Year 2018 was one of the most challenging years in view of rising interest rate environment, pressure on loan yield and interest rates on deposits. We had a good share growth of 12% while loan growth was modest at 4.9%. Total assets increased by \$8 mm to \$158 million. Operating income was \$2.058 million. The net income was \$0.705 mm after dividend payout of \$1.353 mm which was 66% of the operating income. Highest ever dividend pay out to our members.

Nizari's financial performance in relation to the peer credit unions was mixed. Share growth was 12% while the peer ratio was 3.63% Net worth was 12.89% compared to peer ratio of 11.46%. Return on assets was 0.46% while that of peer was 0.75% because of high provision for loan loss and increased dividend payout. The overall loan delinquency was 0.43% compared to peer average of 0.81%.

- **Launched new share certificates and share savings program for members**
- **Austin Branch made successfully operational**
- **Community Collaboration**
- **Town Hall meeting in Dallas**

We offer a full range of loan and share savings accounts; introduced Nizari Diamond Savings Account, Share Savings Plus Account and Momentum Share Certificate. Also, we launched special loan programs on easy terms with minimal paper-work for members to meet their immediate financial needs. Our dividends on share savings accounts were made competitive which is reflected in our deposit growth.

We continued to collaborate with institutions on their programs. We participated in trade shows organized by TAs, supported the American Ismaili Chamber of Commerce (AICC), and were proud to sponsor the AKF Walk across Texas. We also worked with EPB on special programs to assist Jamati members.

As part of our outreach programs, we are planning to relocate our current Dallas branch to a location where it is accessible to all community members for consumer banking and to create capacity for servicing business accounts.

On behalf of the board of directors and the management team, I would like to thank you for your continued support and assure you of our best possible services to meet your financial needs.

Sincerely,

Shaukat Jaffer
Chief Executive Officer

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 Credit Union policies and governmental regulations.



Gulam Mohammed Nanjee
Chairman,
Supervisory Committee

The Supervisory Committee's Primary Goal:

- Safe Guard Nizari Credit Union Members Assets and their Interest

Supervisory Committee's Objectives:

- Monitor the financial health of the Credit Union
 - o Financial condition of the credit union is accurately presented
 - o Management practices are sufficient to safeguard members' assets
 - o Accounting records are prepared promptly
- Monitor the policies and systems put in place, by the Credit Union to mitigate financial, operational, and compliance risks
 - o Internal controls are established and effectively maintained
 - o Plans, policies, and control procedures established by the Board of Directors are properly administered
 - o Policies and control procedures to safeguard against error and fraud have been established
- Investigate perceived violations of Credit Union rules and policies and unethical behavior

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, 2018. This year the required annual review, as in the past, was performed by Credit Union Resources, Inc.

The audit was performed in accordance with 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.

The Supervisory Committee would like to thank you, the Member, for supporting Nizari Progressive Federal Credit Union. Likewise, I would like to use this opportunity to thank my Board of Directors and my Supervisory Committee Members, for their dedicated volunteerism and hard work. I would also like to thank the Board for their openness and responsiveness in interacting with the Supervisory Committee.

Financial Statement

Statement of Financial Position
AS OF DECEMBER 31, 2018

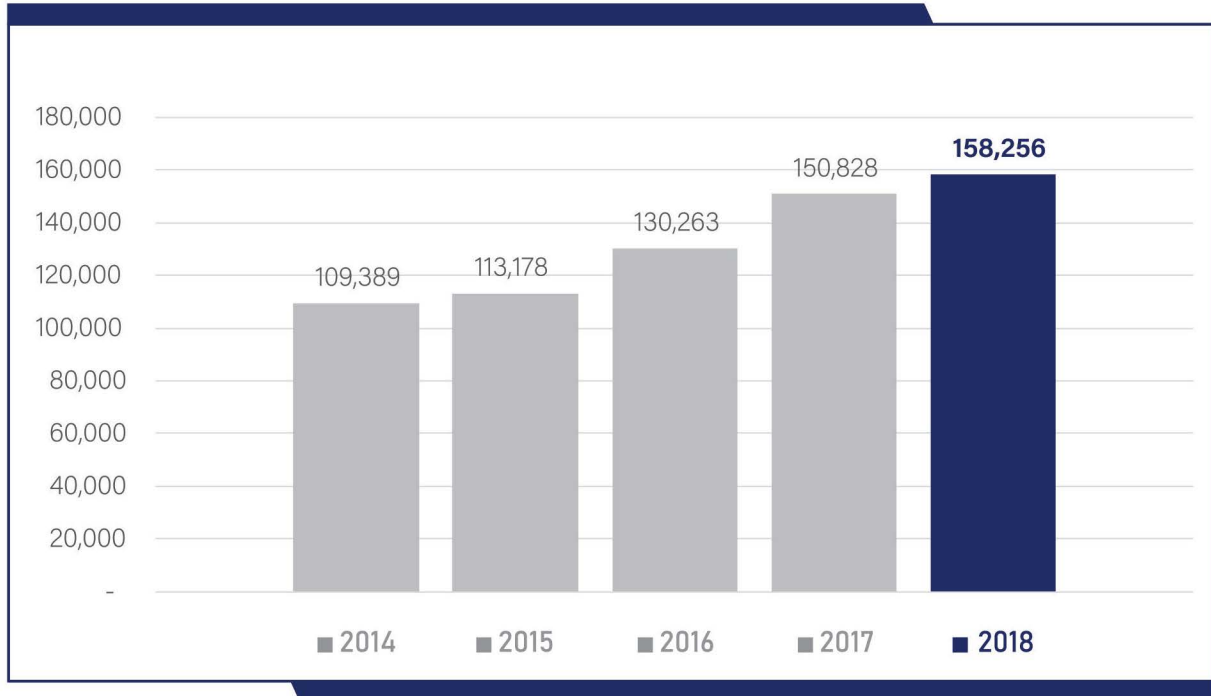
ASSETS	December 31, 2018	December 31, 2017
Loans to Members	\$119,626,055	\$114,833,853
Less: Allowance for Loan Loss	(1,192,494)	(881,806)
Total Loans	118,433,561	113,952,047
Cash in Hand and at Bank	12,412,122	10,898,102
Investments	21,373,283	20,368,517
Advance, Deposits Prepayments & Other Receivables	1,490,536	1,342,462
Advance For Capital Expenditure	-	409,521
Property, Equipment & Furniture	4,930,601	4,102,330
Less: Accumulated Depreciation & Amortization	(1,252,407)	(1,014,226)
Net Fixed Assets	3,678,194	3,088,104
Accrued Interest on Loans & Investments	868,216	768,774
Total Assets	\$158,255,912	\$150,827,527

LIABILITIES AND EQUITY	December 31, 2018	December 31, 2017
Payable & Accrued Liabilities	\$1,082,295	\$1,656,854
Borrowing From Bank	-	7,500,000
Members' Shares and Deposit	137,166,674	122,380,285
Unrealized Gain on Investments	(398,648)	(410,367)
Regular and Specific Reserve	5,602,900	5,602,900
Undivided Earnings	14,802,691	14,097,855
Total Equity	20,006,943	19,290,388
Total Liabilities and Equities	\$158,255,912	\$150,827,527

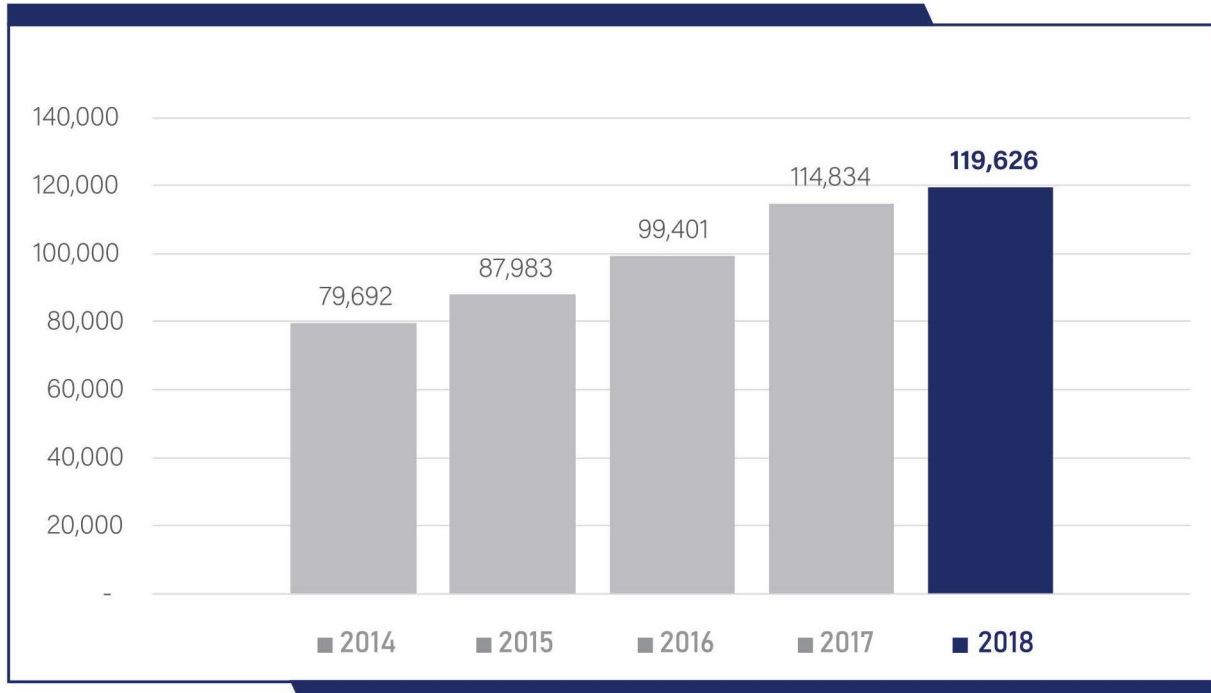
Statement of Operations for the Year Ended

OPERATIONS	December 31, 2018	December 31, 2017
Operating Income	\$7,747,010	\$6,911,311
Operating Expenses		
Expenses	4,843,037	4,246,562
Provision for Loan Losses	847,000	82,000
Total Operating Expenses	5,690,037	4,328,562
Income from Operation	2,056,973	2,582,749
Non Operating Income	1,092	9,350
Dividend Paid to Members	(1,353,229)	(834,346)
Net Income	\$704,836	\$1,757,753

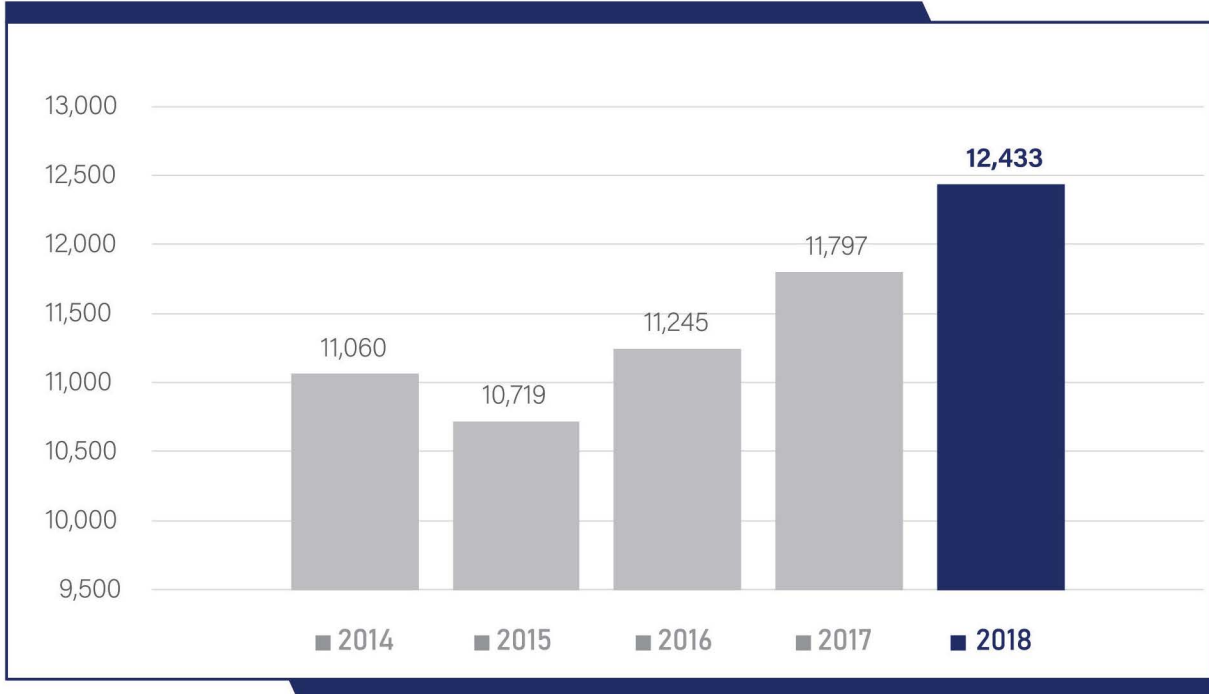
Total Assets \$000's



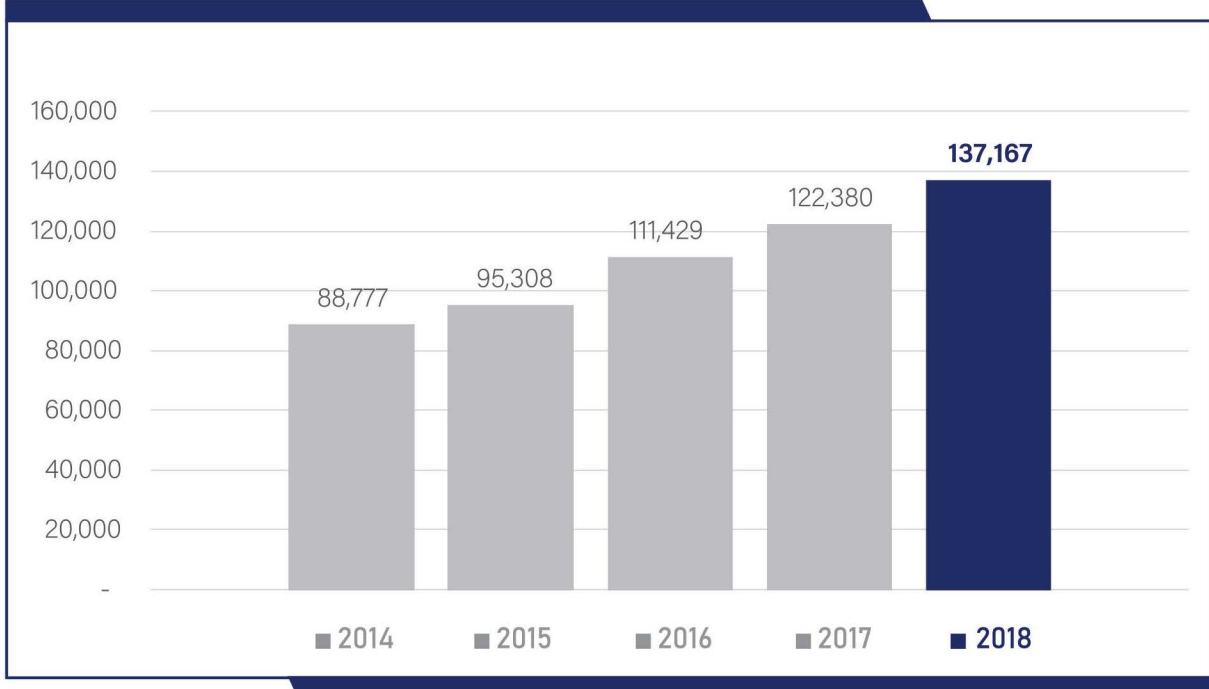
Loans To Members \$000's



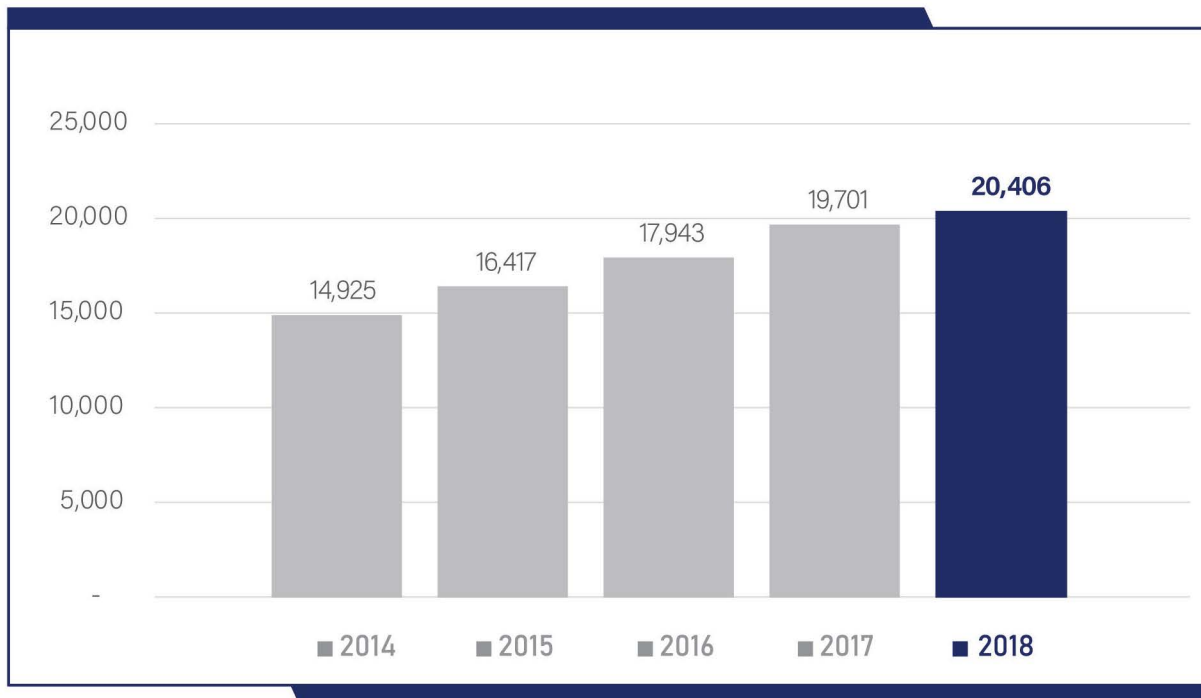
Membership Count



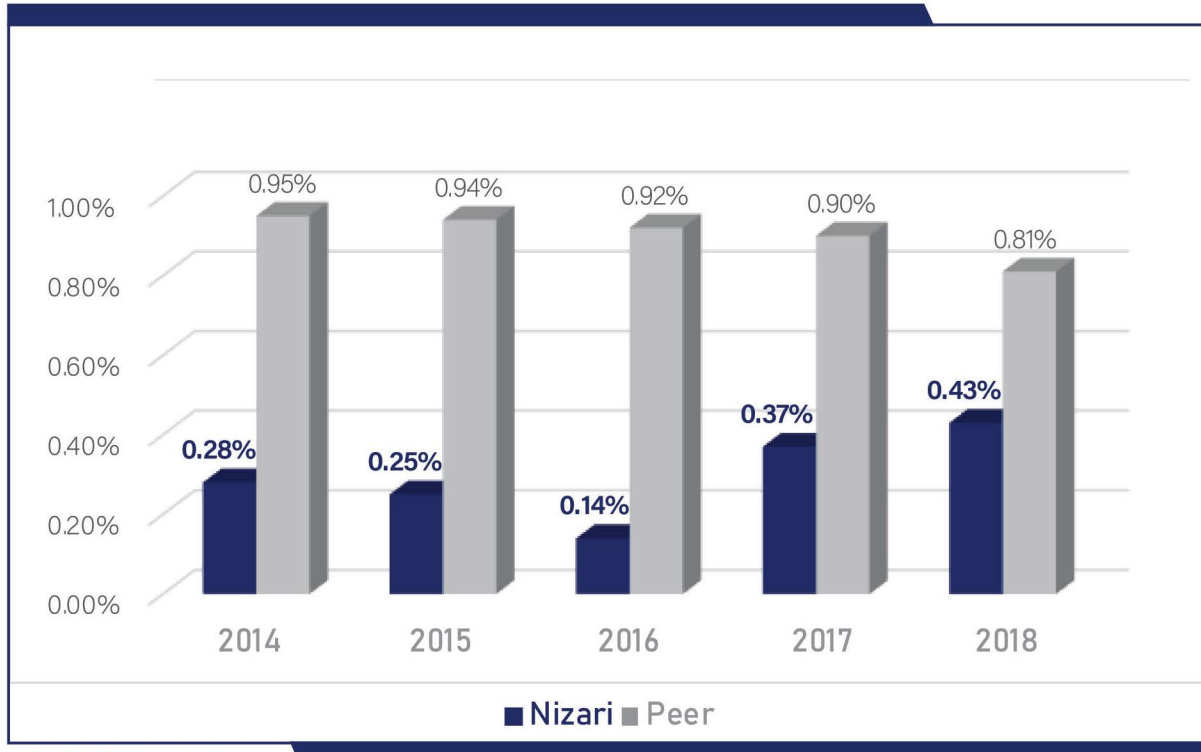
Members' Savings \$000's



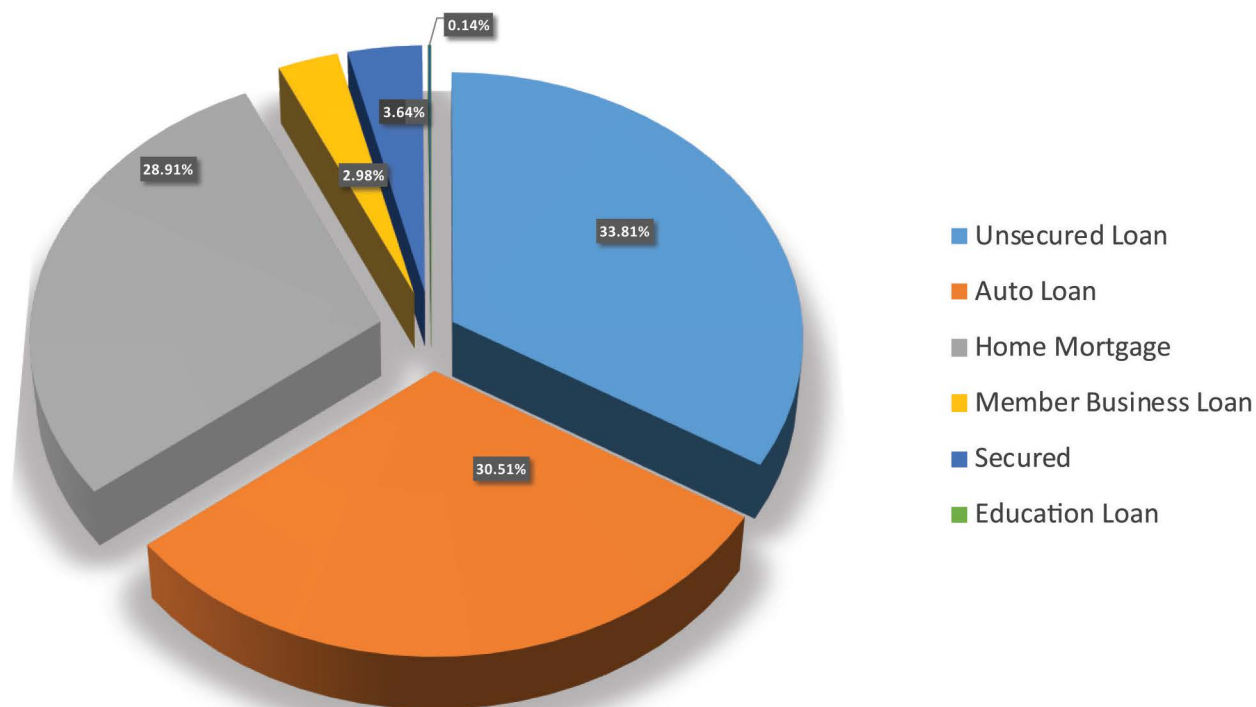
Net Worth \$000's



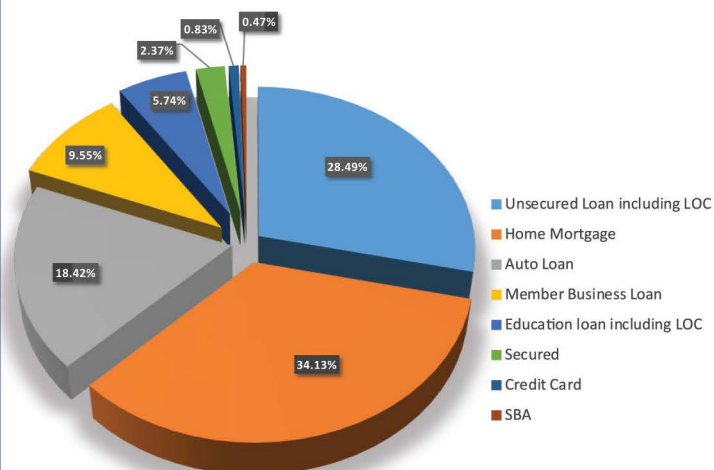
Delinquency Trend



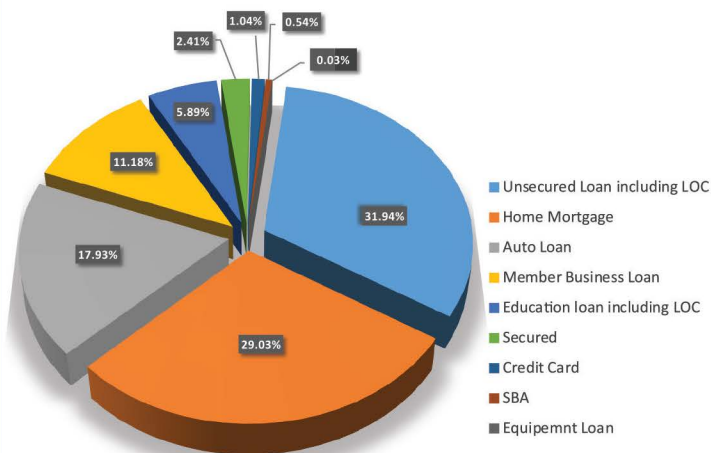
Total of Closed-End Loans Disbursement \$38.34MM



Total Loan Portfolio as of December 31, 2018 - \$119.6 M



Total Loan Portfolio as of December 31, 2017 - \$114.8MM



Products and Services Offered

ACCOUNTS

Personal Savings Accounts
Personal Checking Accounts
Business Accounts
Money Service Business (MSB)
College Savings Accounts
Retirement (IRA) Accounts
Share Certificate (CD) Accounts



LOANS

Personal Loans
Signature Loans
Business Loans
SBA Loans
Personal Lines of Credit
Business Lines of Credit
Equipment Loans
Express Loans
Student Loans – In-school
Student Loans – Debt Consolidation
Personal Credit Cards
Business Credit Cards
Auto Loans – New & Used
Home Mortgage Loans



SERVICES

Nizari Mobile App
Online Banking
Mobile Deposit Capture
Text Banking
Phone Banking
Shared Branching
E-statements
Bill Pay
GAP (Guaranteed Auto Protection) Insurance
TruStage Insurance - AD&D and Life Insurance
Credit Life Insurance



Austin Branch Opening Ceremony



Sponsorships and Participation in the Community...

AGA KHAN FOUNDATION

SAN ANTONIO - DALLAS - HOUSTON



Diamond Jubilee Alliances Conference



EPB Financial Literacy - Dallas



EPB Women Business Expo Sugar Land

Trade Show Participation



GAMA

GREATER
AUSTIN
MERCHANTS
COOPRATIVE
ASSOCIATION



GHRA

GREATER
HOUSTON
RETAILERS
COOPERATIVE
ASSOCIATION



Annual General Meeting 2018



Town Hall Meeting in Dallas



Members' Events at the Branches



Members' Events at the Branches



Senior Management



Shaukat Jaffer
CEO



Rozina Rasiyani
Associate Director, Lending



Sohail Shahabuddin
Controller

Management



Ali M Khowaja
IT and Operations Manager



Shehroz Maredia
Marketing Manager



Eeman Lotia
Loan Operations Manager



Sahina Momin
BSA Officer



Nafisa Aziz
Branch Manager - Dallas



Adnan Lakhani
Branch Manager - Austin

Austin Branch



Saherej Kareliya
Financial Service
Representative II



Razia Ali
Member Services
Representative



Anita Maknojiya
Teller



Romina Sunesara
Teller

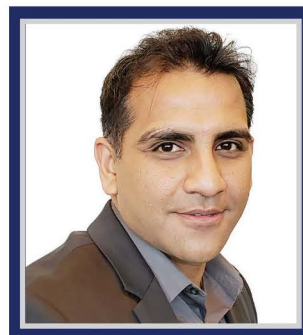
Dallas Branch



Shagufta Hirani
Member Services
Representative II



Shamsa Hakani
Financial Service
Representative II



Shehzad Noor
Financial Service
Representative



Kiran Akhter
Teller



Rizwan Khowaja
Teller

“

Shagufta,
You did the amazing job yesterday.
Thank you so much for satisfying your
customers. Really appreciated.

Thanks,
Farida

”

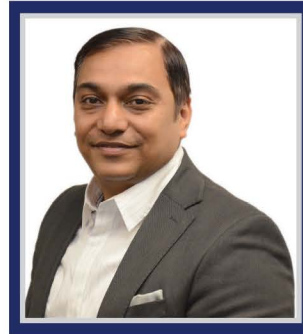
Sugar Land Branch



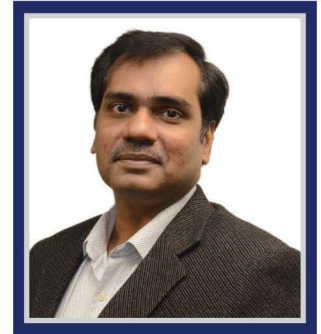
Elvia Longoria
Mortgage Loan Underwriter



Shohania Maredia
Mortgage Loan Officer



Asif Khuaja
Loan Supervisor



Glenn D'Souza
Business Loan Officer



Malik Kherani
Business
Accounts Officer



Shermeen Ali
Member Services
Representative



Nisma Kaba
Financial Service
Representative



Rehmatullah Muhammadi
Financial Service
Representative II



Yaseen Fnu
Financial Service
Representative



Roohi Maknojia
Head Teller



Hina Yahya
Teller



Mohsin Maknojia
Teller



Taufiq Sayani
Teller

“

Hello Elvia and Shohnia,
The closing went smoothly yesterday at Great American Title and we are not complete. Builder has a few things to finish on his end.
Thank you for all your help and support and guidance all throughout this process. You both were excellent to work with and we are truly grateful.

Best regards
Naushir & Sneha Merchant

”

Nizari Team

Corporate Office



Najmina Badarpura
Compliance Analyst



Diana Rodrigues
Sr. Compliance Associate



Sairoz Momin
Consumer Loan
Underwriter



Firuz Shukrikhudoev
Consumer Loan
Underwriter



Enayatullah Sultani
Senior Staff Accountant



Kousar Maknojia
Remote Deposit Specialist



Seema Grover
Collector



Sharmin Halani
Collector

“

Good Afternoon Nisma,

I wanted to follow up to share with you about my recent loan experience with Nizari and yourself as the financial representative I primarily worked with on the loan. Overall I felt it was a very positive experience and felt your sense of urgency, quick responsive time to all of my communication, and flexibility contributed to my positive experience. I truly felt it was a personable experience and I was not just a number in line. The end to end process took approximately a week time frame and understandably so with communication between all parties/necessary compliance required as a financial institution. My initial expectation was that this would be a 2 -4 week process with a lot of back and forth, my expectations were exceeded.

Please forward this email to your immediate supervisor/manager so they are aware of the excellent service you provided and so that your organization's personnel continues to improve best practices towards convenience, simplicity and leads your example in providing excellent customer service.

Regards,

Sahil Charolia

”

Nizari Team

Corporate Office



Anis Alwani
Senior Operations Officer



Nikita Maknoja
Operations Officer



Ashifa Bhimani
Operations Officer



Anna Virani
Call Center Representative



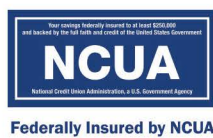
Seema Momin
Call Center Representative

“ I have a business and personal accounts with Nizari for several years. I mostly visit Branch everyday. Staff has very positive attitude with friendly services. I always leave the Branch with smile on my face with all the members as well as I have seen them working same way with others as well. Im looking for stronger relationship with this Branch in future.

Mumtaz Sundrani

”





NMLS 504851



NIZARI
PROGRESSIVE FEDERAL
CREDIT UNION

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