



**PLATINUM FEDERAL  
CREDIT UNION**

*Partners in Progress...*

# *2011 Annual Report*

## **PFCU's Mission**

**“To provide convenient sources of credit and other financial services to  
allow our members to accomplish their financial goals”**



## Meet the Board of Directors

The Board of Directors is made up of members from our community who volunteer their time. You elect them as your representatives to guide the organization in its mission, to establish governance policies and to monitor the performance of Platinum Federal Credit Union.



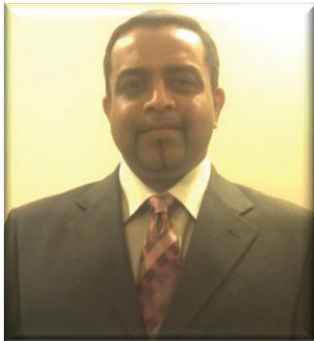
Anwar Ghaswala, Chairman



Kassemali Jinnah, Vice-Chairman



Nizar Ali, Secretary



Afzal Mithwani, Treasurer



Sadruddin Sohani, Director



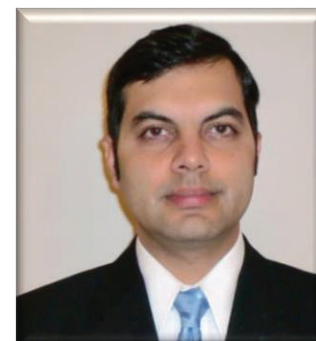
Ebrahim Jaffer, Director



Nawroz Kapadia, Director



Karim Kaisani, Director



Bijan Fazal, Director

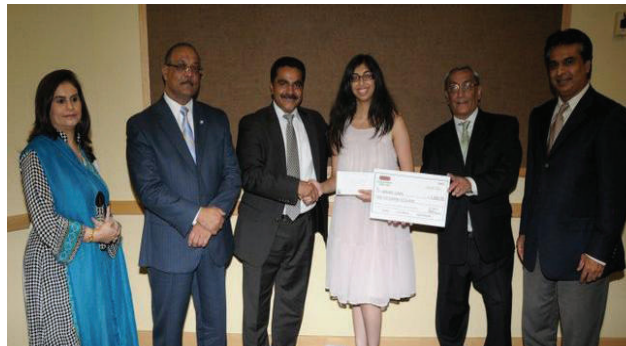
# 2011 PFCU ACADEMIC SCHOLARSHIP PROGRAM AWARD RECIPIENTS



Mr. Aly Jiwani from Atlanta, GA



Ms. Sabahat Jindani from Atlanta, GA



Ms. Sarah Juma from Orlando, FL



Ms. Laila Sultan from Atlanta, GA



Mr. Nafis Narsinghani from Memphis, TN



## LETTER FROM THE CHAIRMAN

For 2011, we are pleased to report that Platinum Federal Credit Union (PFCU) demonstrated a very strong performance despite it being a difficult year for most financial institutions and some members of PFCU. In addition to positive earnings, PFCU also reported deposit and loan growth resulting in asset growth. Even more impressive, these earnings included a mandatory payment to assist with the Corporate Credit Union network stabilization. And as Georgians continued to be saddled with declines in real estate values and record high unemployment, PFCU was able to control its loan delinquencies and charge-offs and ended the year with a strong capital position, further illustrating our soundness as a financial institution. We ended the year on a strong note with over 5,900 members and assets in excess of \$35 million, shows that we remain a well-respected financial institution

that our community members continue to trust as their financial partner.

Most of the financial institutions have been struggling due to negative loan growth. However PFCU staff, loan committee member and board of directors were creative enough to come up with innovative lending ideas and launched new loan products to boost the loan growth keeping in line with deposit growth. This has helped PFCU to be financially well positioned and continue to grow the institution faster than others. We are proud that majority of our new business has resulted from our new and existing members sharing positive word of mouth on our products and services with their friends, family and community at large.

PFCU was one of the five star rated Georgia Credit Unions in an article titled “Georgia CUs Score Solidly in National Ranking” in Atlanta Business Chronicle dated Friday, July 22, 2011. PFCU has earned high marks (a five star rating out of a possible five stars) from Bauer Financial, which is “superior” financial status. Any institution with a four or five star rating is considered a sound financial institution and comes recommended as a place for consumers to trust with their financial business. PFCU was also covered in May 2011 issue of Georgia Trends magazine’s “Staying on Top” column. The column highlighted Georgia credit unions and covered couple of faith-based entities including PFCU.

As we head into 2012 and beyond, PFCU will continue to enhance our technologies to better

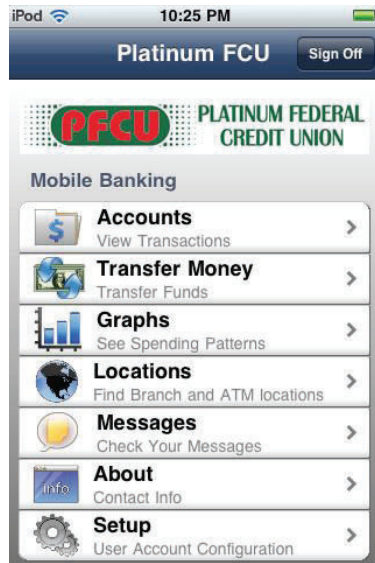
serve and communicate with our members. Overall, we will maintain our cautious optimism and push forward as a strong organization that offers everything you need in a financial institution and more. Your deposits continue to be insured up to at least \$250,000 by the National Credit Union Share Insurance Fund (NCUSIF), a division of the National Credit Union Administration (NCUA). Deposit accounts maintained in different rights, capacities, or forms of ownership may be further insured.

PFCU will continue to prove to be a credit union that our members confidently spread the word about to family and friends. We look forward to continuing to serve you and thank you for your membership. I would also want to thank employees and the volunteers who serve on our board of directors and various committees. These volunteers give their time and expertise because they believe so deeply in the purpose our founders had in mind. To these directors and committee members, I offer my sincere gratitude and appreciation. Together we have created a strong financial institution that has and will continue to benefit generations of members.

A handwritten signature in dark ink that reads "Anwar Ghaswala". The signature is written in a cursive style and is positioned above the printed name and title.

Anwar Ghaswala  
Chairman of the Board

## 2011 OPERATIONAL HIGHLIGHTS



PFCU's iOS App for Apple iPhone & iPod

### MARKETING AND BUSINESS DEVELOPMENT INITIATIVES

PFCU continued to increase small business account services in 2011. In 2011 we opened 300 small business accounts as compared with 276 accounts in 2010. We are pleased to announce that the Business Money Market Account which was launched in the 4<sup>th</sup> quarter of 2010 has rapidly gained popularity and from the number we can say that in just over a year we have 121 money market accounts with funds totaling to \$6.5 million.

We added Quickbooks download via Web Connect into our Home Banking last year which helped not only individuals do their own accounting in Quickbooks Accounting Software, but also helped accountants do their jobs faster and more efficiently avoiding clerical errors. We are also in process of introducing Quicken download which would help household budgeting. PFCU also launched Merchant Services through its credit and debit card vendor FIS (fidelity Information Services) in 1<sup>st</sup> quarter of 2011. Although FIS is not able to

compete with rates offered by vendors to Franchisors such as Chevron, BP, Texaco, Subway, etc. It was able to either match or beat the rates of many independent businesses such as in strip malls, mall stores or wholesalers, etc. This service has enabled business members to have all their business services at the credit union and reduce cost of operations.

As promised last year PFCU has launched Mobile Banking Apps for all members. You can conveniently install these Apps on iPhone, iPads, Android phones, Blackberry, Windows and Palm Phones. We have also received positive comments on the re-designed PFCU website loaded with information and it always provides up to date information to members. We would like to inform members that we are currently working to take the new website experience to the next level. Soon we will be introducing Online Membership Application as well as Online Loan Application. This will enable our community members throughout the United States to become members of Platinum Federal Credit Union and to apply for loans and other services via the world wide web.

### COMMUNITY OUTREACH

PFCU introduced Academic Scholarship Program in 2011 which awards number of scholarships every year, for up to \$1,000 to each qualifying member for attending the first year of an academic program in an accredited educational institution of learning in USA. The award is intended for tuition, books, housing and related academic expenses.

PFCU CEO, Mr. Kabir Laiwalla was interviewed by Georgia Trends Magazine for its May 2011 issue and printed in their "Staying on Top" column. The column highlighted Georgia credit union and covered couple of faith-based entities including PFCU.

PFCU participated and contributed in the Partnership Walk 2011 held in Atlanta, GA on October 23 at the historic Centennial Olympic Park. PFCU contributed funds in excess of \$12,000 to Partnership Walk from its members, non-members and personal donation, which contributed to the team high award. PFCU also contributed and participated in Partnership Golf Gala event held at the beautiful Georgia Aquarium.



### LETTER FROM THE CEO

Financial institutions seem to be under a collective dark cloud these days but that is not true for your credit union. The challenges created by the economy have brought into focus the strength and benefits Platinum Federal Credit Union brings to you as member-owners. The cooperative philosophy of people helping people, pooling deposits to make loans and provide other services at reasonable cost, has stood the test of time. Without question our unique model continues to be extremely successful as evidenced by all that we have achieved together in 2011.

Many financial institutions made it more difficult for consumers to secure loans at a time they needed them most. PFCU met the loan needs of more than 700 member-owners, providing loans for necessities such as education, starter small businesses, home ownership, commercial real estate ownership and debt-consolidation. We had a successful lending year with 22% net growth in loans. PFCU excelled in Commercial Real Estate Loans in 2011 due to which it hit the cap for

member business loans of 12.25% of assets levied on credit unions by NCUA rules and regulations. PFCU also introduced Personal and Business Money Market Accounts with interest rates as high as 1.10% and minimum balance of as low as \$1,000. We managed to keep our cost of funds below 0.70% resulting from increased deposits in business and personal checking accounts. However due to increase in commercial checking accounts our cost of operations continues to be high at around 5.31% when compared with our peers.

In 2011, PFCU leadership decided to drop interest rates on various loan products to historical lows. PFCU offered the lowest rate on auto loan in December 2011 to as low as 2.75%. Personal and business loan interest rates are as low as 7.99% and signature loan interest rate is as low as 8.99%. Not only did we drop loan interest rates, but effective February 2012, there will be no security deposit hold for borrowers or guarantors on personal, signature or business unsecured loans.

Most of the credit unions saw membership growth in 2011 and PFCU was no exception. We welcomed nearly 618 new members into the Credit Union fold, increasing our year-end membership to 5,988. Our total assets grew by \$6.36 million ending at \$35.44 million by the end of the year. Additionally, we maintained a strong capital ratio of 9.17%, a significant achievement when the benchmark set by our regulators is 7% or higher for well capitalized credit unions. We continue to grow the credit

union while maintaining the capital ratio above 7% to be well capitalized.

In 2011, PFCU began several projects to provide our members access to their accounts and information of PFCU products and services offering through various channels. We introduced PFCU facebook page, twitter, email and telephone marketing in the 4<sup>th</sup> quarter of 2010 with currently 154 likes on our facebook page. And as promised in the 11<sup>th</sup> Annual Meeting, we launched our all new redesigned PFCU Web site in 2<sup>nd</sup> quarter of 2011. The new website offers many new tools, widgets, rate calculators, ability to search the site and many other innovative improvements to increase the site's intuitiveness and functionality. We plan to launch online membership and loan application by 2<sup>nd</sup> Quarter 2012.

Despite the hardships and challenges we faced in 2011, we ended the year with a positive income. We are committed to continue to grow this institution in years to come and serve more and more members of the community. Finally, the Board of Directors, Committee members, management team and staff are proud to have your business and thank you for your continued trust and support.

Kabir Laiwalla  
CEO



## **SUPERVISORY COMMITTEE REPORT**

The Supervisory Committee has two primary responsibilities:

- 1) To ensure that a comprehensive financial audit of the credit union is performed at least annually; and
- 2) To monitor the credit union's internal controls to help assure compliance with applicable laws, regulations, and the credit union's policies.

The Committee has engaged Georgia Credit Union Consultants, Inc., an independent credit union supervisory audit firm, to perform the financial audit for calendar year 2011. We have also engaged MSB Compliance, Inc. an independent BSA compliance audit firm, to perform the compliance audit for the credit union. We are happy to report that PFCU is in full compliance with the applicable laws and regulations. Additionally, NCUA examiners conduct annual review of the credit union to

evaluate the financial condition, the safety and the soundness of the credit union, and compliance with applicable laws and regulations. We are happy to report that PFCU passed NCUA audit.

As part of its responsibility to monitor the credit union's internal controls and compliance, the Committee oversees the internal audit function of the credit union. The supervisory committee performs auditing procedures to obtain reasonable assurance that internal controls are in place to protect member assets. The supervisory committee reviews and tests operational controls for adequate security and verifies Platinum Federal Credit Union's compliance with State, Federal and NCUA regulations and adherence to PFCU's own written policies and procedures.

Due to increased regulations being introduced by the government and PFCU's commitment to stay on top of them, PFCU has hired a dedicated Compliance Staff. The Compliance Staff will oversee all policies and procedures and ensure they adhere to applicable rules and regulations from various regulatory agencies. Due to increased commercial checking account and increase in cash transactions compliance staff will help PFCU adhere to BSA/AML, FinCEN, OFAC and CIP rules and regulations.

The supervisory committee is confident that the Board of Directors is performing its duties and obligations in a conscientious manner.

Working diligently and establishing operating policies, each member of the Board and staff has dedicated himself/herself towards maintaining the best interest of the membership. Additionally, CEO Kabir Laiwalla and his staff have carried out their duties attentively and competently while being always mindful that the financial success and soundness of the credit union are top priorities.

The internal and external audits, regulatory examinations, and meetings with the credit union's management all indicate that the credit union's financial condition and its internal controls and procedures continue to be sound.

We extend our thanks to all committees and staff of the credit union for another year of outstanding performance.

A handwritten signature in dark ink, appearing to read 'Ebrahim Jaffer'. The signature is fluid and cursive, written over a light-colored background.

Ebrahim Jaffer  
Chairman, Supervisory Committee





## **LOAN COMMITTEE REPORT**

No matter what the need – from the purchase of a business to emergency loan and everything in between – Platinum Federal Credit Union makes funds available to all qualified members for any worthwhile purpose. It is the function of Loan Committee to ensure that, the depositors funds are put to best use by lending it to fellow members.

It is the Committee's task to handle each and every member's request in an equitable manner and make loan decisions in accordance with PFCU's loan policies. The committee also reviews loan policies each year to ascertain that they are in compliance with NCUA and other laws and regulations. The Committee also plays an important leadership role in providing financial counseling to members when necessary.

During the year 2011 the national trend for loans continued to drop, however PFCU continued to make funds available to its members. This year 775 members took advantage of PFCU's loan offerings at

competitive financing rates totaling to \$16.36 million in loans disbursed PFCU's total outstanding loan balance reached \$24.34 million as of December 31, 2011 compared to \$19.87 million as of December 31, 2010.

We had extraordinary demand for commercial real estate loans in 2011 due to which we reached our Member Business Loan Lending Cap enforced by NCUA of 12.25% of our assets. We are happy to be able to help business real estate owners finance their loans through the credit union. However, going forward, like many other credit unions, we will have to wait for the proposed bill to increase the credit union business lending limits from 12.25% to 27%.

The year 2011 marks the end of Cash Back on PFCU VISA® Platinum Credit Card and we have launched the all new ScoreCard® Reward Points which can be used by members to book Airline tickets, Cruise vacations, hotel, redeem for merchandise or use points for traditional Cash Back Option. This new program will provide members with various options rather than just one cash back option. As always we continue to offer attractive rates on our credit card program, easy repayment terms, and fees members can understand.

PFCU has started issuing Business MasterCard® which features ScoreCard® Cash Back Rewards program of up to 1% Cash Back on all qualified purchases. There is no maximum to the cash back rewards and we have limits up to \$25,000.

Economy in 2011 was more harsh for our members than the years before as can be witnessed from the loan charge offs and delinquency in 2011. Our delinquency ratio is at 2.44% of total loans and our recovery committee is working very hard to work with members who are facing difficulties to lower their payments, etc. by extending the terms of the loans. We have seen many borrowers step forward to pay their obligation towards the credit union, which shows loyalty of members towards our community owned credit union.

As Loan Committee Chairman, I am pleased to work with four truly dedicated volunteers: Nizar Ali, Karim Kanji, Nawroz Kapadia and Anwar Ghaswala. I would also like to thank our Chief Lending Officer Ms. Shaheen Mitha for her excellent work in underwriting and originating new business loans as well as for her ongoing hard work and support. On behalf of the Committee, I wish to express our appreciation for your business and the support given to us. We would like to assure our members that the Loan Committee and Loan Department staff will continue to provide exceptional financial support today and in the years to come.

A handwritten signature in black ink, appearing to read 'Sadruddin Sohani'. The signature is fluid and cursive, with a large initial 'S'.

Sadruddin Sohani  
Chairman, Loan Committee

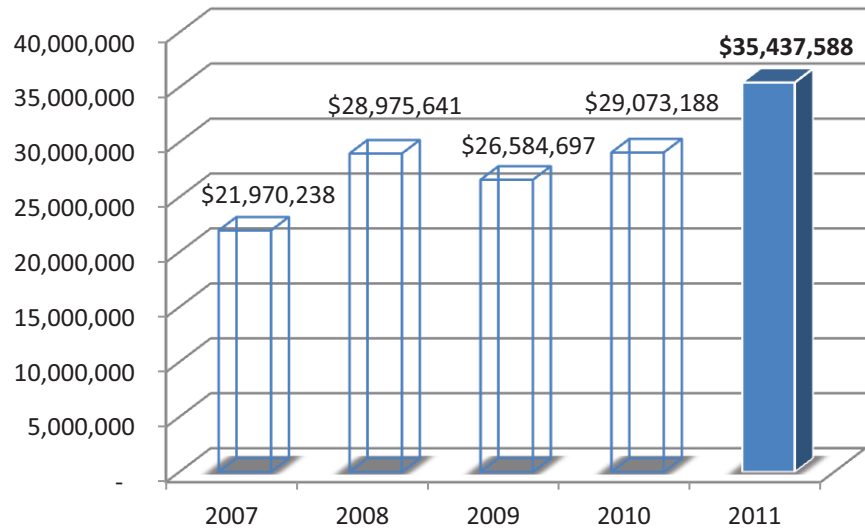
**STATEMENT OF FINANCIAL CONDITION**  
**AS OF DECEMBER 31, 2011 (UNAUDITED)**

<b>ASSETS</b>	<b>2011</b>	<b>2010</b>	<b>LIABILITIES</b>	<b>2011</b>	<b>2010</b>
Cash and Equivalents	\$ 6,820,647	\$ 4,098,240	Accounts Payable	\$ 523,831	\$ 619,219
Receivables	3,691	25,888			
Loans to Members	18,330,912	17,038,659	<b>Member Deposits</b>		
Business Loans	6,017,206	2,835,522	Savings Accounts	7,245,721	8,312,045
Allowance for Loan Loss	(299,532)	(201,376)	Personal Checking	2,150,918	1,564,994
			Business Checking	7,489,294	5,002,647
<b>Investments</b>			Money Market	6,472,120	1,494,228
Certificate of Deposit	2,695,000	3,430,000	Certificate of Deposit	5,536,484	6,430,888
			IRA Accounts	310,968	242,638
Accrued Interest	113,397	114,582	College Saving Plan	2,459,040	2,461,471
NCUA Share Insurance Fund	295,448	232,918		<u>31,664,545</u>	<u>25,508,911</u>
Prepaid and Other Assets	54,381	52,691			
Property, Equipment, and Furniture			<b>Equity</b>		
Net of accumulated depreciation	1,406,438	1,446,064	Reserve Fund	900,000	900,000
			Undivided Earnings	2,349,212	2,045,058
				<u>3,249,212</u>	<u>2,945,058</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 35,437,588</u></b>	<b><u>\$ 29,073,188</u></b>	<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>\$ 35,437,588</u></b>	<b><u>\$ 29,073,188</u></b>

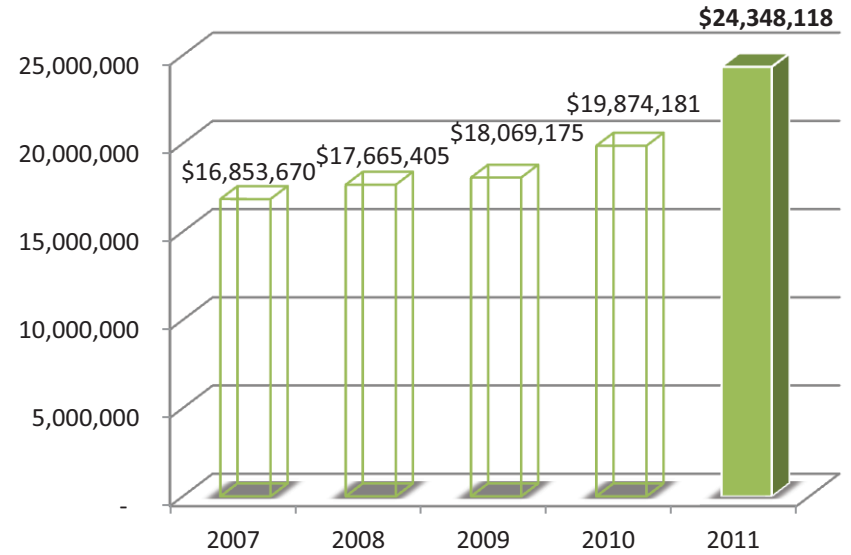
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011 (UNAUDITED)**

	2011	2010		2011	2010
<b>REVENUE</b>					
Interest on Loans	\$ 1,636,492	\$ 1,534,786		\$ 2,229	\$ 983
Interest on Investments	44,015	62,238		211,438	219,206
Fees	819,086	651,089		213,667	220,189
Miscellaneous	57,016	48,880			
	<b>2,556,609</b>	<b>2,296,993</b>			
 <b>EXPENSES</b>					
Salaries & Benefits	754,810	627,905			
Office Occupancy Expenses	108,106	90,351			
Office Operating Expenses	548,105	553,687			
Loan Servicing Expenses	97,967	85,861			
Professional & Outside Services	18,075	9,000			
Marketing / Member Education	28,045	16,888			
Misc. Operating Expenses	83,019	70,149			
Provision for Loan Losses	326,799	87,500			
	1,964,926	1,541,341			
				<b>COST OF FUNDS</b>	
				Interest on Borrowings	\$ 2,229
				Dividend Expenses	211,438
					219,206
					213,667
					220,189
				<b>NET OPERATING GAIN / (LOSS)</b>	<b>378,016</b>
					<b>535,463</b>
				Extraordinary Gains and Losses	(73,862)
					(60,809)
				<b>CONTRIBUTION TO CAPITAL</b>	<b>\$ 304,154</b>
					<b>\$ 474,654</b>

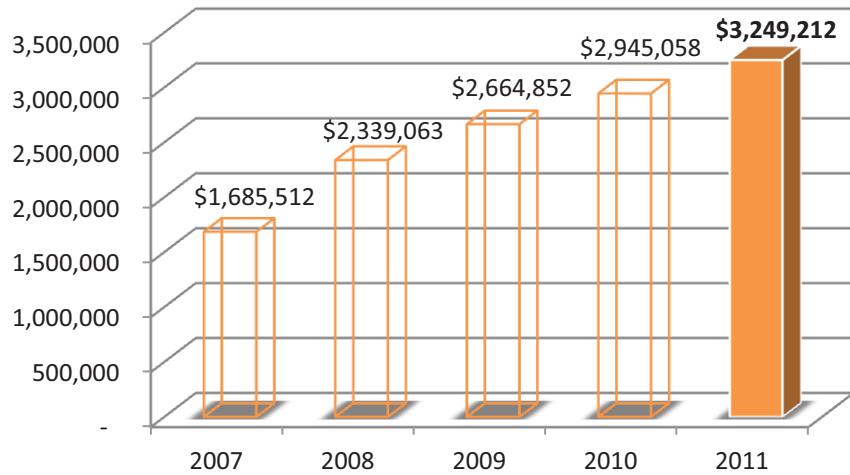
### TOTAL ASSETS



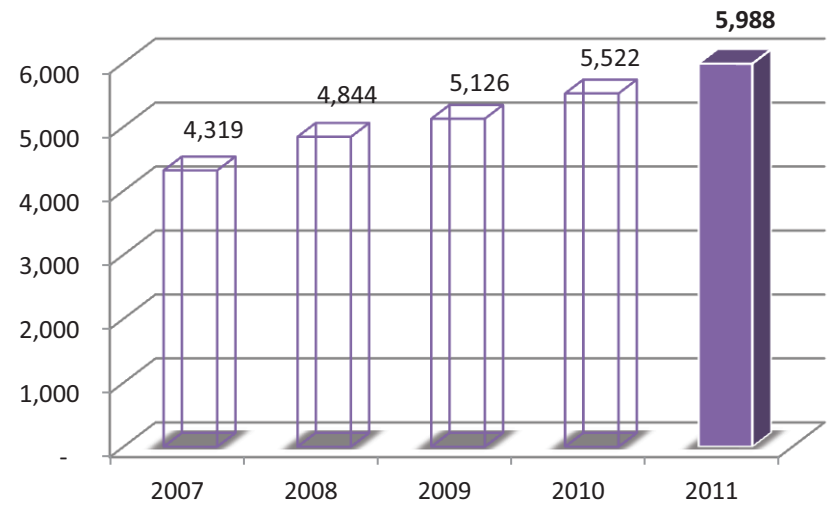
### TOTAL LOANS



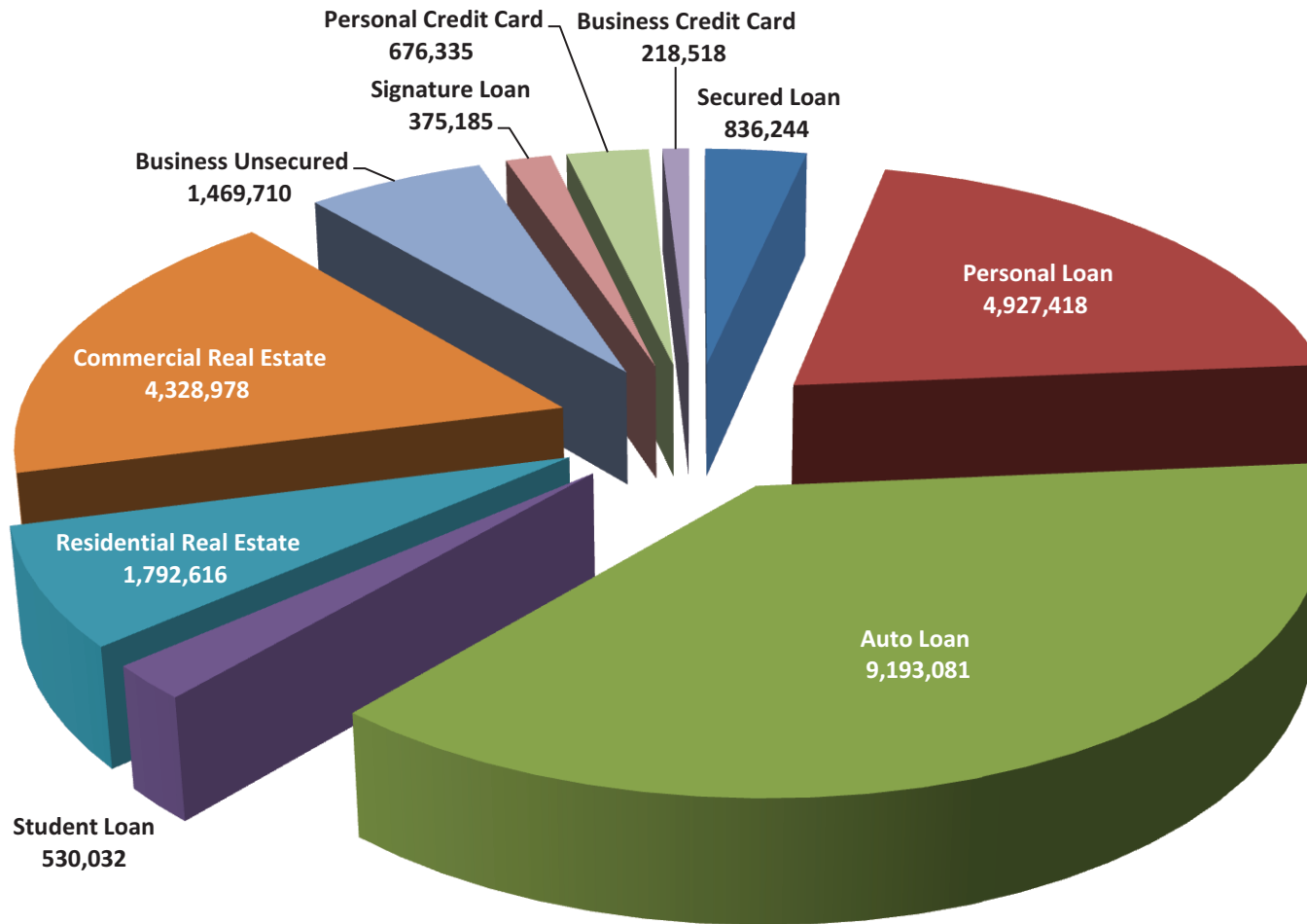
### TOTAL EQUITY



### TOTAL MEMBERS



## Loan Balance Distribution as of December 31, 2011



## **BOARD OF DIRECTORS**

Anwar Ghaswala  
Chairman

Kassemali Jinnah  
Vice Chairman

Nizar Ali  
Secretary

Afzal Mithwani  
Treasurer

Ebrahim Jaffer  
Supervisory Committee Chairman

Sadrudin Sohani  
Loan Committee Chairman

Nawroz Kapadia  
Recovery Committee Chairman

Bijan Fazal  
Human Resources

Karim Kaisani  
Marketing

## **SUPERVISORY COMMITTEE**

Ebrahim Jaffer  
Chairman

Karim Kaisani  
Member

Nizar Motani  
Member

## **CREDIT / LOAN COMMITTEE**

Sadrudin Sohani  
Chairman

Anwar Ghaswala  
Member

Karim Kanji  
Member

Nawroz Kapadia  
Member

Nizar Ali  
Member

## **ORLANDO MANAGEMENT COMMITTEE**

Issa Kassam  
Shiraz Lokhandwala  
Gulzar Virani  
Salman Hamirani  
Noorali Pirani

## **TAMPA MANAGEMENT COMMITTEE**

Faridah Nathani  
Suleman Hemani

## **ALABAMA MANAGEMENT COMMITTEE**

Rahim Budhwani  
Anisha Rahim  
Nizar Batada  
Qahir Tharani  
Nazleen Walji

**SENIOR MANAGEMENT**

Kabir Laiwalla  
Chief Executive Officer

Rizwan Pradhan  
Chief Financial Officer

Shaheen Mitha  
Chief Lending Officer

**BACK OFFICE STAFF**

Meenaz Vaidya  
Compliance Officer

Shaila Nayani  
Accountant

Gulnar Gulamali  
Accountant

Karima Vaidya  
Collection/Loan Officer

**ALABAMA BRANCH**

Kim Rojani  
Office Manager

**DECATUR BRANCH**

Parveen Lalani  
MSR / Loan Officer

Naveen Janmohammed  
MSR / Loan Officer

Ali Hirany  
Head Teller

Shakeer Punja  
Teller

Shamim Lakhdhir  
Teller

Mehreen Meghani  
Teller

Nazmeen Padaniya  
Teller

**LILBURN BRANCH**

Shama Velji  
Branch Manager

Salma Samani  
Head Teller

Aly Nathani  
Teller

Sohel Lalani  
Teller

Rosmin Panjwani  
Teller

Shamsa Virani  
Teller

Saleema Gaulani  
Teller

**ORLANDO BRANCH**

Nazneen Remtulla  
Office Manager



# PLATINUM FEDERAL CREDIT UNION

*Partners in Progress...*

## Branch Locations

### Lilburn Branch

4794 Lawrenceville Hwy NW  
Lilburn, GA 30047  
Telephone: 404-297-9797  
Fax: 770-500-3069  
Email: [Info@PlatinumFCU.org](mailto:Info@PlatinumFCU.org)

### Decatur Branch

1059 Mistletoe Road  
Decatur, GA 30033  
Telephone: 404-297-9797  
Fax: 404-298-3281  
Email: [Decatur@PlatinumFCU.org](mailto:Decatur@PlatinumFCU.org)

### Orlando Branch

7041 Grand National Drive, Suite 201  
Orlando, FL 32819  
Telephone: 407-226-0720  
Fax: 407-226-0750  
Email: [Orlando@PlatinumFCU.org](mailto:Orlando@PlatinumFCU.org)

### Alabama Branch

2801 John Hawkins Pkwy, Suite 153N  
Hoover, AL 35244  
Telephone: 205-403-8881  
Fax: 877-763-7194  
Email: [Alabama@PlatinumFCU.org](mailto:Alabama@PlatinumFCU.org)

**Toll Free: 1-877-PFCU4YOU (732-8496)**

**Telephone Banking: 1-877-PFCUTEL (732-8835)**

**ONLINE BANKING: [www.PlatinumFCU.org](http://www.PlatinumFCU.org)**



**CREDIT UNION  
SERVICE CENTERS.**  
*The Member-Friendly Financial Network*

Your savings federally insured to at least \$250,000  
and backed by the full faith and credit of the United States Government

**NCUA**

National Credit Union Administration, a U.S. Government Agency



Find us on:  
**facebook®**