

2018 ANNUAL REPORT



Platinum

Federal Credit Union

From your...

BOARD CHAIR AND CEO

The year 2018 was a blessed year for all of us in the United States as we were blessed with the presence and visit from our Beloved Karim Aga Khan. Platinum Federal Credit Union also had a great year by crossing the \$100 million asset mark mid-year and once again recording double digit growth in assets as well as loans. 2018 has been a year full of excitement, energy, growth, member value creation and helping members afford life. It has been a pleasure to serve all of you and to be a partner in your progress. We would like to thank all the members who participated in the Diamond Jubilee Savings Challenge and we hope that you continue to save in either Diamond Jubilee Savings account or regular savings or money market, etc. for emergency savings, college or transfer of wealth to the next generation.

With your support and participation, we have been able to grow the institution from \$94.26 million at the end of 2017 to \$113.89 million at the end of 2018. The asset growth of 20.83% was matched by the loan growth of 17.89%. The total loans grew from \$71.03 million in 2017 to \$83.73 million in 2018. Number of unique members grew from 8,644 in 2017 to 9,006 in 2018. We added several new business accounts which allowed PFCU to grow its fee income and together with loan growth and control of operating expenses, we were able to grow the net worth by 19.66% to a total of \$9.65 million which brought the net worth ratio to 8.47% as of yearend.

In addition to the financial growth, PFCU grew its Academic Scholarship Program award from \$70,000 in 2017 to \$105,000 in 2018. PFCU was able to award 42 Scholarships of \$2,500 each. Thanks to the continued partnership of Atlanta Retailers Association and other members of PFCU.

We also introduced the Online Education Platform last year on our website through the leader in online education, EVERFI. We have added educational courses for individuals from basic savings to insurance to credit scoring, and for small business from business savings to business planning. We are also working to update our website look and feel as well as add additional features through which members can communicate with the staff more conveniently by including chat and feedback features. As we continue to enhance the delivery channels, we would like feedback from members on the service and performance as well as suggestions on where we can improve.

Platinum Secure Checking was launched in 2018 providing members with Identity theft monitoring as well as credit report monitoring and alerts. This feature rich checking account includes AD&D insurance up to \$10,000, Cell Phone insurance up to \$300, discounted movie tickets for Regal/AMC at \$5.99, discounts and coupons for several national and regional retailers, as well as discounts on prescription, vision, dental, etc. Visit PFCU website for further details.

We are in process of obtaining license from SBA so that we can start offering SBA guaranteed loans to our members which will have higher loan limits for commercial real estate secured as well as business unsecured loans. We launched the New York/New Jersey virtual branch that adds to the lineup of existing virtual branches located in Georgia, Florida, Virginia, Tennessee and Arkansas. Please continue to visit www.Platinum.CreditUnion for latest updates and specials as well as information on all products and services offered by your credit union.

At PFCU, we continue to innovate and grow and help other Jamati institutions in the U.S. and other countries create products and services to help members of the Jamat directly or via sharing of time, knowledge and best practices.

We would like to thank you for helping to make your credit union the success it is for all our members and the community we serve. We never forget that it is your credit union.

Sincerely,



Kabir Laiwalla
CEO



Rabim Asani
Board Chair



LOAN COMMITTEE REPORT

It is the function of Loan Committee to ensure that the depositor's funds are put to the best use by lending it to fellow members. From the purchase of commercial property to an emergency loan and everything in between, Platinum Federal Credit Union makes funds available to all qualified members for any worthwhile purpose.

It is the Committee's task to handle each and every member's request in an equitable manner and to make loan decisions in accordance with PFCU's loan policies. The Committee also reviews loan policies on an ongoing basis to meet the members' needs and to ensure compliance with NCUA and other laws and regulations. The Committee plays an important leadership role in providing financial counseling to members when necessary.

During the year 2018, PFCU loan portfolio grew by a remarkable 17.89% as members took advantage of various loans offered by the credit union. This year PFCU issued 1,344 loans to its members totaling to \$46.13 million in loan disbursed. PFCU's total outstanding loan balance reached \$83.73 million as of December 31, 2018 compared to \$71.03 million as of December 31, 2017. PFCU loan portfolio continues to grow, thanks to the participation from you. The streamlined Student Lending helped families lower the cost of education through low fixed rate Student Loans as well as Scholarships.

Our residential real estate loan portfolio continues to grow, and we originated mortgage loans for new home purchase as well as refinance. We also originated several business real estate loans for which the limits have been increased to up to \$10 million. Due to growth in assets we were able to originate more commercial real estate loans and look forward to helping more members own their commercial real estate.

The increased lending limits for Signature, Personal and Unsecured Business Loans from \$50,000 to \$100,000 gave a boost to the lending portfolio, however this resulted in PFCU reaching its unsecured lending caps sooner than anticipated. We are working with NCUA examiners to review the unsecured lending limits and to possibly increase them to start lending over \$50,000 again as this higher limit helped members to grow their businesses and expand into different ventures.

PFCU offered 0% balance transfer fee with a low 2.99% APR for six months special on its Platinum VISA® Credit Card. We also offered interest rates as low as 2.75% on new and pre-owned auto loans. Several members took advantage of this offer and saved hundreds of dollars in interest on higher rate credit cards and auto loans with outside banks and credit unions. PFCU offers one of the lowest rates of as low as 9.90% on its VISA® Platinum Credit Cards. We have also redesigned the Platinum VISA® Credit Card Plastic with an all new custom Black Card design for an attractive look. We hope members like the new custom designed card.

We also issued a number of Business MasterCard® accounts which feature a ScoreCard® Cash Back Rewards program of up to 1% Cash Back on all qualified purchases. There is no maximum to the cash back rewards for PFCU Business Credit Card, as other banks impose maximum cash back you can earn. PFCU offers credit limits of up to \$25,000 with as low as 9.99% APR interest rates on outstanding balances.

PFCU's loan delinquency ratio decreased a little to 0.29% in 2018 from 0.59% in 2017. PFCU's recovery committee continued to work with members who are facing difficulties to lower their payments 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 institution.



Nooruddin Mithani
Loan Committee Chairman

I am pleased to have worked with five other truly dedicated volunteers: Mr. Nizar Ali, Mrs. Shereza Tajuddin, Mr. Aryn Abdulla, Mr. Jaffar Lutfeali and Mr. Ebrahim Jaffer. I would also like to thank our Chief Lending Officer, Ms. Shaheen Mitha and our loan officers, for their hard work and support. On behalf of the Loan Committee, I wish to express our appreciation for your business.

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, assuring compliance with applicable laws, regulations, and the credit union's policies

For the year 2018 the Supervisory Committee engaged an independent qualified CPA audit firm to perform comprehensive financial audit of the credit union and provide their opinion. The financial audit was performed as of December 31, 2018. We are happy to report that PFCU's progress and financial condition has been strong in 2018 and PFCU is in compliance with all applicable laws and regulations.

Additionally, NCUA examiners conduct an 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. In the year 2018 NCUA has performed an exam of PFCU and its members' compliance with the BSA rules and regulations. NCUA examiners were satisfied with the compliance measures put in place by PFCU to deter risks, however they requested additional compliance with privately owned ATMs, especially to monitor the sources of funds used to replenish the machines. PFCU's Board and compliance department has taken necessary steps to ensure compliance with the requirement as set forth by NCUA.

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 audit procedures to obtain reasonable assurance that internal controls are in place to protect member assets. The Committee reviews and tests operational controls for adequate security and verifies FCU's compliance with state, federal and NCUA regulations and adherence to PFCU's own written policies and procedures.

The 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 the best interest of the membership. Additionally, CEO Kabir Laiwalla, CCO Tony Pleasant, CLO Shaheen Mitha, Operations Manager Donna Ezell and their staff have carried out their duties attentively and competently while always being 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.



Karim Kaisani
Supervisory Committee Chairman

I would like to thank Mr. Nizar Motani and Mr. Shahid Rupani for volunteering their time and knowledge and being part of supervisory committee. I would also like to thank the staff of the credit union for another year of great performance.

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION DECEMBER 31, 2018 AND 2017

ASSETS	2018	2017
Cash and Equivalents	\$22,623,560	\$15,424,144
Receivables	19,968	15,160
Loans to Members	69,327,751	60,931,627
Business Loans	14,406,342	10,097,063
Allowance for Loan Loss	(345,268)	(316,036)
Investments		
Certificate of Deposit	4,478,791	4,726,791
Accrued Interest	251,821	207,214
NCUA Share Insurance Fund	722,898	674,908
Prepaid and Other Assets	142,006	146,588
Property, Equipment, and Furniture Net of accumulated depreciation	2,265,264	2,347,652
TOTAL ASSETS	\$113,893,134	\$94,255,111

LIABILITIES	2018	2017
Accounts Payable and Other Liabilities	\$5,037,970	\$1,137,059
Notes Payable	-	-
Member Deposits		
Savings Accounts	20,473,699	19,356,879
Personal Checking	10,236,874	14,492,995
Business Checking	28,964,234	23,551,739
Money Market	13,859,902	12,474,731
Certificate of Deposit	22,184,977	11,640,221
IRA Accounts	952,481	886,254
College Saving Plan	2,531,940	2,649,911
	<u>99,204,106</u>	<u>85,052,729</u>
Equity		
Reserve Fund	900,000	900,000
Undivided Earnings	8,751,058	7,165,323
	<u>9,651,058</u>	<u>8,065,323</u>
TOTAL LIABILITIES AND EQUITY	\$113,893,134	\$94,255,111

CONSOLIDATED STATEMENTS OF OPERATIONS YEARS ENDED DECEMBER 31, 2018 AND 2017

REVENUE	2018	2017
Interest on Loans	\$3,644,560	\$3,086,683
Interest on Investments	123,381	94,375
Fees	2,094,392	1,968,498
Miscellaneous	191,356	148,337
	<u>6,053,688</u>	<u>5,297,892</u>

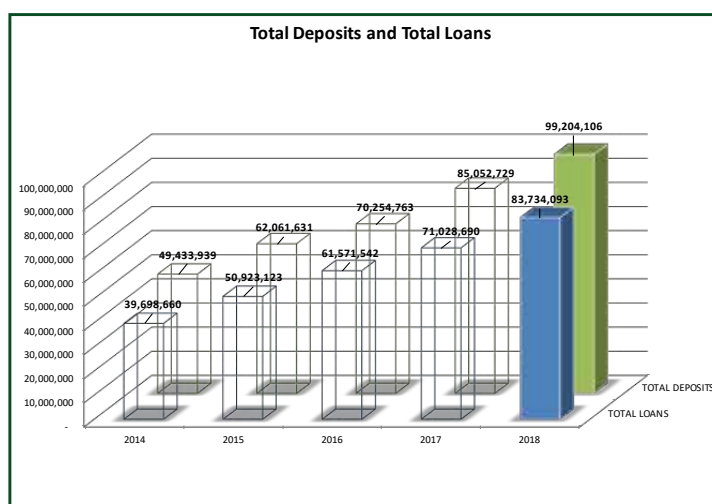
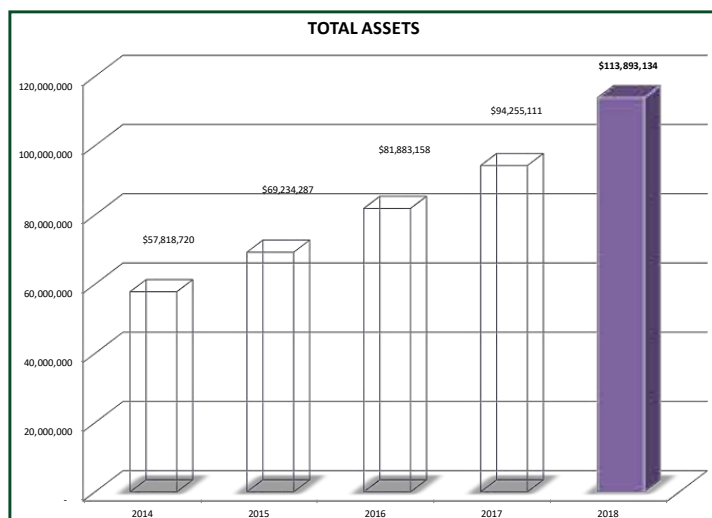
EXPENSES	2018	2017
Salaries & Benefits	2,131,095	1,977,981
Office Occupancy Expenses	190,521	205,162
Office Operating Expenses	932,011	887,415
Loan Servicing Expenses	288,995	269,576
Professional & Outside Services	50,839	80,040
Marketing / Member Education	146,921	125,425
Misc. Operating Expenses	164,986	172,567
Provision for Loan Losses	52,738	26,000
	<u>3,958,107</u>	<u>3,744,166</u>

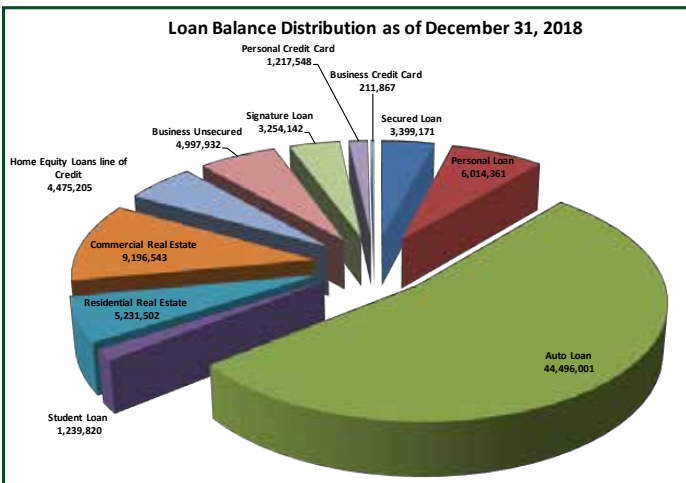
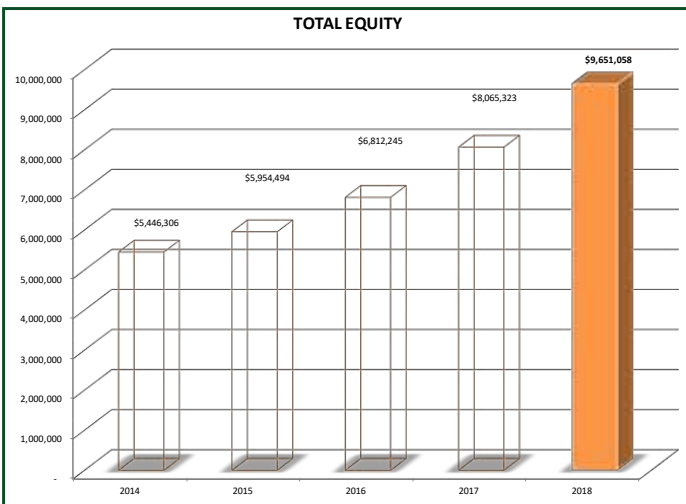
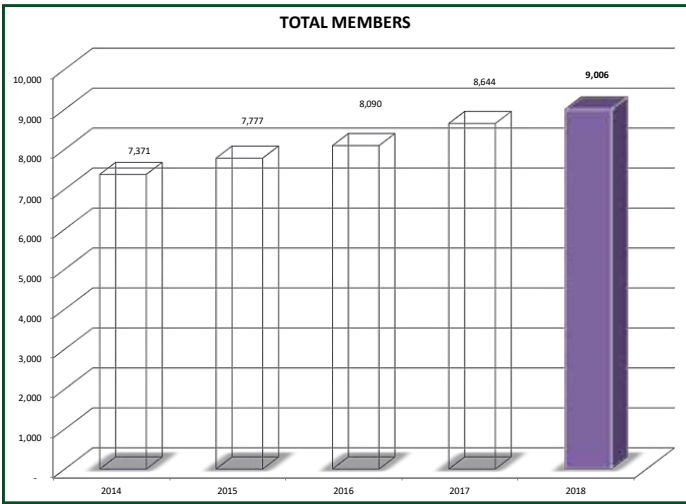
COST OF FUNDS	2018	2017
Interest on Borrowings	\$14,550	\$6,539
Dividend Expenses	495,297	294,109
	<u>509,847</u>	<u>300,648</u>

NET OPERATING GAIN / (LOSS) 1,585,735 1,253,078

Extraordinary Gains and Losses - -

CONTRIBUTION TO CAPITAL \$1,585,735 \$1,253,078





CASH FLOW

	12/31/18	12/31/17
Cash From Operating Activities:		
Net Income/Loss	\$1,585,735	\$1,253,078
Change in Other Assets	(63,591)	(86,200)
Change in Other Liabilities	3,900,911	(20,195)
Cash From Operating Activities	5,423,055	1,146,683
Cash From Investing Activities:		
Change in Investments	248,000	(744,000)
Change in Loans	(12,705,403)	(9,457,147)
Change in Fixed Assets	82,388	112,771
Cash From Investing Activities	(12,375,015)	(10,088,376)
Cash From Financing Activities:		
Change in Borrowings	-	(3,658,896)
Change in Deposits	14,151,377	14,797,966
Cash From Financing Activities	14,151,377	11,139,070
Net Change in Cash	\$7,199,417	\$2,197,376
Cash at beginning of the period	15,424,144	13,226,768
Cash at end of the period	22,623,560	15,424,144
Net Change in Cash	\$7,199,417	\$2,197,376



Fazal Manji
Treasurer

PLATINUM FEDERAL CREDIT UNION

Notes to Financial Statements December 31, 2018

Note 1-Significant Accounting Policies

Method of Accounting. The credit union financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Investments. Platinum Federal Credit Union does not have Investment in securities. All its investments are in Shares, Deposits & CD's in Corporates; Credit Unions and Banks.

Loans to Members. Loans are reported in the Statement of Financial Condition at book value. Interest income is recognized over the term of the loan and is generally computed using the simple interest method.

Allowance for Loan Losses. This account represents the amount set aside by management to absorb probable loan losses which exist as this financial statement date related to loans currently outstanding. The Allowance for Loan Losses is derived from charges made to the Provision for Loan Losses adjusted by charge-offs, and net of recoveries. The Allowance for Loan Losses represents management's evaluation of various factors influencing the collectability of individual loans and management maintains it at a level adequate to absorb probable losses which exist today related to loans currently outstanding.

Premises and Furniture and Equipment. This account represents all other fixed assets. Premises and Furniture and Equipment are stated at cost. Depreciation is computed over the estimated useful lives of the related assets using the straight-line method of depreciation.

Income Taxes. The Platinum Federal Credit Union is exempt from federal and state income taxes in accordance with Section 501(c) of the Internal Revenue Code and Section 122 of the Federal Credit Union Act.

Dividend Expense. The dividend rate is set by the board of directors on a semi-annual basis for regular share accounts and dividends are charged to the Statement of Income when declared.

Note 2-Investments

Platinum Federal Credit Union does not have Investment in securities. All its investments are in Shares, Deposits & CD's in Corporates; CUs and Banks.

Note 3-Loans to Members

The composition of loans to members are as follows:

Secured Loan	\$ 3,399,171	4.06%
Personal Loan	6,014,361	7.18%
Auto Loan	44,496,001	53.14%
Student Loan	1,239,820	1.48%
Residential Real Estate	5,231,502	6.25%
Commercial Real Estate	9,196,543	10.98%
Home Equity Line of Credit	4,475,205	5.34%
Business Unsecured	4,997,932	5.97%
Signature Loan	3,254,142	3.89%
Personal Credit Card	1,217,548	1.45%
Business Credit Card	211,867	0.26%
Total Loans to Members	\$ 83,734,093	100.00%

Note 4-Allowance for Loan Losses

A summary of the changes in the Allowance for Loan Losses are as follows:

Balance on 1/1/2018	\$ 316,036
Add: Provision for Loan Losses Expense	52,738
Add: Recoveries on Charged-off Loans	14,770
Less: Charged-off Loans	(38,276)
Balance on 12/31/2018	\$ 345,268

Note 5-Other Assets & Prepaid and Fixed Assets

Other assets are summarized as follows:

Prepaid Expense	\$ 89,247
Security Deposit for Office Rent	1,500
Security Deposit for Credit Card Clearing	38,151
Security Deposit for Debit Card Clearing	13,108
Total Other Assets & Prepaid	\$ 142,006

Fixed assets are summarized as follows:

Land, Building and Improvements	\$ 2,719,881
Furniture and Fixtures	315,326
Data Processing Equipment	699,786
Total Cost	3,734,992
Accumulated Depreciation	(1,469,728)
Net carrying amount	\$ 2,265,264

Note 6-Deposit Accounts

A summary of deposit accounts are as follows:

Savings Accounts	\$ 20,473,699
Personal Checking Accounts	10,236,874
Business Checking Accounts	28,964,234
Money Market Accounts	13,859,902
Certificate of Deposits	22,184,977
IRA Accounts	952,481
College Saving Plan	2,531,940
Total Deposits	\$ 99,204,106

Note 7 - Related Party Transactions

Loans to credit union officials and senior executive staff contain interest rates, terms, and collateral requirements comparable to those of other members.

	Number	Amount
Loans outstanding to Officials and senior executive staff	9	\$ 353,207

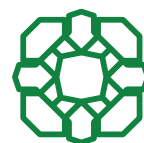
Note 8 - Commitments and Contingent Liabilities

Commitments to extend credit are agreements to lend to a member as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Because many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The credit union evaluates each member's creditworthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the credit union upon extension of credit, is based on loan committee credit evaluation of the counterparty. Collateral held varies but may include consumer assets, real estate and member share balances.

A summary of unfunded commitments are as follows:

Revolving open-end lines secured by real estate	\$ 2,338,587
Credit Card lines	6,736,230
Unfunded Commitments for Share Draft LOC	184,355
Unfunded Commitments for Overdraft Protection	75,572
Total Unfunded Commitments	\$ 9,334,744

PICTURES FROM 2018 PFCU PROGRAMS & EVENTS



Platinum
Federal Credit Union

BOARD OF DIRECTORS



Rahim Asani
Chairman



Nooruddin Mithani
Vice Chairman



Amin Premjee
Secretary



Fazal Manji
Treasurer



Karim Kaisani
Director



Moyees Merchant
Director



Ali Jamal
Director



Aymn Abdulla
Director



Mushtaquali Kamruddin
Director

SUPERVISORY COMMITTEE



Karim Kaisani
Chairman



Nizar Motani
Member



Shahid Rupani
Member

RECOVERY COMMITTEE



Mushtaquali Kamruddin
Chairman



Nawroz Kapadia
Member

Salman Badrudin
Member

Ali-Anis Kajami
Member

LOAN/CREDIT COMMITTEE



Nooruddin Mithani
Chairman



Aymn Abdulla
Member



Nizar Ali
Member



Ebrahim Jaffer
Director



Jaffar Lutfeali
Member



Shereza Tajuddin
Member

ORLANDO BRANCH MANAGEMENT COMMITTEE

Issa Kassam, Convenor
Salman Hamirani, Member
Noorali Pirani, Member
Faruq Jafri, Member

ATLANTA NORTHWEST MANAGEMENT COMMITTEE

Jaffar Lutfeali, Convenor
Munavar Madadali, Member
Fatima Virani, Member

ALABAMA BRANCH MANAGEMENT COMMITTEE

Sameer Rattani, Convenor
Hussain Hussain, Member
Fayaz Ali, Member
Gulzar Nilgiriwala, Member
Shazia Rajpari, Member

MEMPHIS BRANCH MANAGEMENT COMMITTEE

Kabir Gilani, Convenor
Asma Jiwani, Member
Nighat Shah, Member
Sabrina Merchant, Member
Suleman Sohani, Member

ATLANTA SOUTH MANAGEMENT COMMITTEE

Aymn Abdulla, Convenor
Salima Peerani, Member
Nooruddin Kaja, Member

ARKANSAS MANAGEMENT COMMITTEE

Hussain Farista, Convenor
Azmina Merchant, Member
Hussain Jivani, Member

TAMPA MANAGEMENT COMMITTEE

Nadirshah Rattani, Convenor
Afrose Kalani, Member
Abdula Khoja, Member
Taimoor Gillani, Member

KNOXVILLE MANAGEMENT COMMITTEE

Karim Boghani, Convenor
Rafiq Virani, Member

VIRGINIA MANAGEMENT COMMITTEE

Ali Ravji, Convenor
Nilufa Jiwa, Member
Aslam Gillani, Member
Ashraf Sangani, Member

Toll Free: 1-877-PFCU4YOU (732-8496) | Website: www.PlatinumFCU.org | Email: MemberService@PlatinumFCU.org

Lilburn Branch

4794 Lawrenceville Hwy NW
Lilburn, GA 30047
Telephone: 404-297-9797

Orlando Branch

7041 Grand National Drive, Suite 201
Orlando, FL 32819
Telephone: 404-637-0926 or 407-226-0720

Decatur Branch

1059 Mistletoe Road
Decatur, GA 30033
Telephone: 404-297-9797

Alabama Branch

2801 John Hawkins Pkwy, Suite 153N
Hoover, AL 35244
Telephone: 404-637-0925 or 205-403-8881

Sugarloaf Branch

2035 Sugarloaf Circle
Duluth, GA 30097
Telephone: 404-297-9797



SENIOR MANAGEMENT
Kabir Laiwalla
Chief Executive Officer
Federico Castillo
Chief Financial Officer
Shaheen Mitha
Chief Lending Officer
Tony Pleasant
Chief Compliance Officer

BACK OFFICE STAFF

Donna Ezell
Operations Manager
Cassandra Plater
Compliance Associate
Perviz Walji
Compliance Associate
Gulzar Hussain
Accountant
Gulnar Gulamali
Accountant
Khatija Roy
Accountant
Hamidah Khorashi
Collection Manager
Amber Bava
Collection Officer
Rabia Punnoo
Remote Capture Services
Akbar Khimani
Remote Capture Services

LILBURN BRANCH

Farida Perani
Branch Manager
Noureen Mithani
Loan Officer
Sanskar Patel
Member Services
Anil Merchant
Deposit Services Manager
Nadir Rashdi
Head Teller
Shahnaz Budhwani
Teller
Alikhan Ladhani
Teller
Samina Gilani
Teller
Rakhi Rai
Teller
Jesmin Hussain
Teller
Sohrab Sikander
Teller

ORLANDO BRANCH

Nazneen Remtulla
Office Manager

DECATUR BRANCH

Karima Dayani
Branch Manager
Zehra Gilani
Loan Officer
Muhammad Asani
Loan Officer
Rosmin Panjwani
Member Service Rep.
Shyroz Singh
Head Teller
Tyiesha Hopkins
Assistant Head Teller
Shamim Lakhdir
Teller
Amanuddin Rafizada
Teller
Salima Dhanani
Teller
Nadia Ismaily
Teller
Nizar Keshwani
Teller

ALABAMA BRANCH

Noorin Fidai
Office Manager
Anila Sadruddin
Office Manager

SUGARLOAF BRANCH

Karim Merchant
Branch Manager
Nasir Nanjee
Consumer Loan Manager
Shabnam Merchant
Member Service Rep.
Khairunishah Farishta
Head Teller
Urussa Ali
Teller
Zain Merchant
Teller

