



# 2019

»»»  
ANNUAL  
REPORT



**Platinum**  
Federal Credit Union

# *From Your* BOARD CHAIR AND CEO

Happy 20th Birthday to PFCU! Your Credit Union has turned 20 years old per its charter received from NCUA in December 1999. Platinum Federal Credit Union has been regarded as a success story in the credit union industry for being only 20 years in business and with assets above \$125 million. This phenomenal success story is due to the support of our community members, volunteer board and committee members, and dedicated team of staff. We hope to continue these strong supports for years to come which will be key to our continued growth and improvement and help the community at large.

In 2019, PFCU grew in assets more than 11% from \$113.89 million to \$126.45 million. The asset growth was matched by our loan growth in dollar amount which was more than 15%, from \$83.73 million to \$96.34 million. Our Number of unique members grew from 9,006 to 9,524. We continue to grow the credit union in all areas, however, in 2019 we had to allocate over \$300,000 in loan loss reserves which resulted in lower net income and we grew PFCU net worth by 14.08% to a total of \$11.01 million which brought the net worth ratio to 8.71% as of year-end 2019.

PFCU Academic Scholarship Program awarded 40 Scholarships of \$2,500 each totaling to \$100,000 in 2019. Thanks to the continued partnership of Atlanta Retailers Association, Alabama Merchants Association, Florida Retailers Association and other individual and business members of PFCU for their contributions. This year the scholarship winners were from 10 different states from Alabama to Wisconsin and 25 girls received the award out of total of 40 recipients.

We are excited that we have completed all the requirements for SBA and now are a SBA licensed financial institution and able to process loans guaranteed by SBA under their 7a program. We will work with our vendors to come up with various programs and guidelines and inform members on the same in 2020.

We have seen continuous increase in home mortgage loans, which makes us happy to see members of our community own their dream home. We continue to be the first choice for auto loans among members and we want to do the same when it comes to unsecured loans, home mortgage loans, commercial mortgage, and now with SBA loans as well. Our deposit rates continue to be attractive for members to save with PFCU in regular savings accounts, college savings accounts, diamond jubilee savings accounts, certificate of deposits, money market accounts as well as retirement accounts. We would like to thank members for considering PFCU for their financial needs.

At PFCU, we continue to improve our service to members and for that, we are conducting short surveys for each loan disbursed and random short surveys for other services. We want to continue to innovate and grow the institution and think long term benefits for the community through this institution.

We would like to thank you once again for your continued support and that shows off in the success of this credit union. We never forget that it is your Credit Union and we represent you and keep your interest in mind.

Sincerely,



*Rahim Asani*  
Board Chair



*Kabir Laiwalla*  
CEO



## 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 or automobiles 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 2019, PFCU's loan portfolio grew by a remarkable 15.06% as members took advantage of various loans offered by the credit union. This year PFCU issued 1,261 loans to its members totaling to \$48.94 million in loan disbursed. PFCU's total outstanding loan balance reached \$96.34 million as of December 31, 2019 compared to \$83.73 million as of December 31, 2018. PFCU loan portfolio continues to grow, thanks to the participation from you. We are working to streamline our Lending department in 2020 with an easy online loan application with tracking and also centralized lending so all loans are done from one place and staff are trained to provide better experience to all members applying for loans.

Our residential real estate loan portfolio continues to grow, and we originated mortgage loans for new home purchase as well as refinanced. We also originated several business real estate loans and are now licensed by SBA to originate 7a loans for our members. Due to the growth in assets we were able to originate more commercial real estate loans and are looking forward to helping more members own their commercial real estate.

The increased lending limits for unsecured Business loans from \$50,000 to \$100,000 gave boost to the lending portfolio. We had lowered the limits based on recommendations from NCUA, but after working with them we have restored the limited to \$100,000. Also with the new SBA 7a loans introduction we will plan to offer higher limit on loans using SBA guarantees.

PFCU offered 0% balance transfer fee with a low 2.99% APR for six months special on its Platinum VISA® Credit Card balance transfer. We also offered interest rates as low as 2.49% on new and 2.75% on 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 compared with other 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 started increasing limits on credit cards based on members' credit bureau rating and usage of their credit cards.

We issued a number of 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 for the 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 0.26% in 2019 from 0.29% in 2018, however the net loan charge off ratio increase from 0.03% in 2018 to 0.20% in 2019. PFCU's recovery committee continued to work with members facing difficulties to lower their payments by extending the terms of the loans. We have seen many borrowers step forward to pay their overdue obligations towards the credit union, which shows loyalty of members towards our community owned credit union.

I am pleased to have worked with five other truly dedicated volunteers: Mr. Nizar Ali, Mrs. Shereza Tajuddin, Mr. Mansoor Wadsariya, Mr. Nooruddin Mithani and Mr. Amin Tejani. 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.

Amin Premjee  
Loan Committee Chairman



## 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 2019 the supervisory committee engaged an independent qualified CPA audit firm to perform a comprehensive financial audit of the credit union and provide their opinion. The financial audit was performed as of December 31, 2019. We are happy to report that PFCU's progress and financial condition has been strong in 2019 and PFCU is in compliance with all applicable laws and regulations. Additionally, NCUA examiners conducted 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 2019 NCUA 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. PFCU's Board and compliance department continues 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 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.

Supervisory committee is confident that the Board of Directors are 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, CFO Federico Castillo, CLO Shaheen Mitha, VP of Operations Donna Ezell and their 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.

I would like to thank Mr. Nizar Motani, Mr. Shahid Rupani, Mr. Karim Dhanani and Mr. Karim Vastani 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.

Karim Kaisani  
Chairman, Supervisory Committee

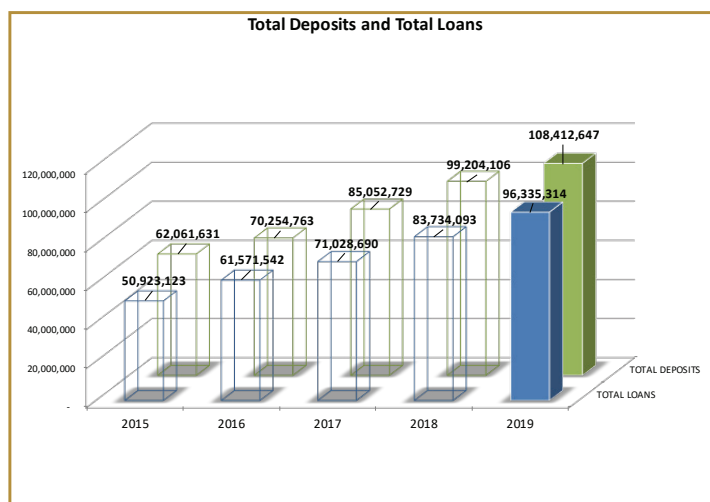
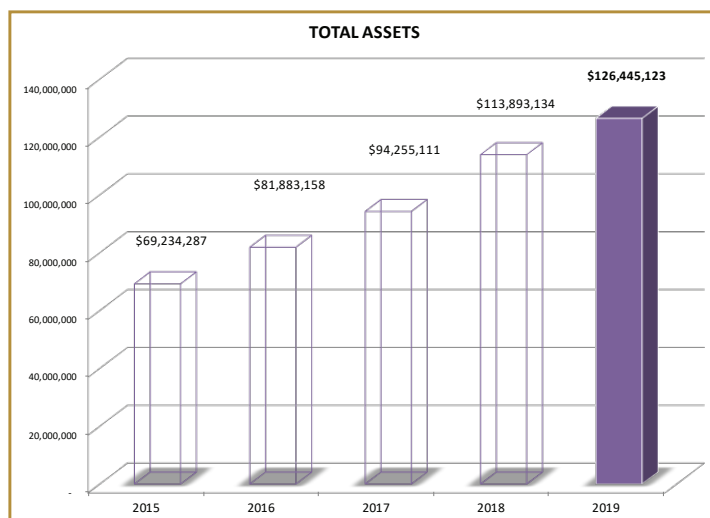


## CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION DECEMBER 31, 2019 AND 2018

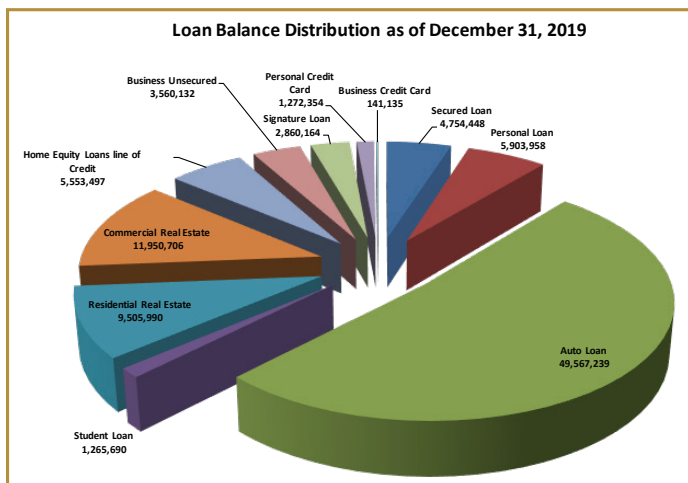
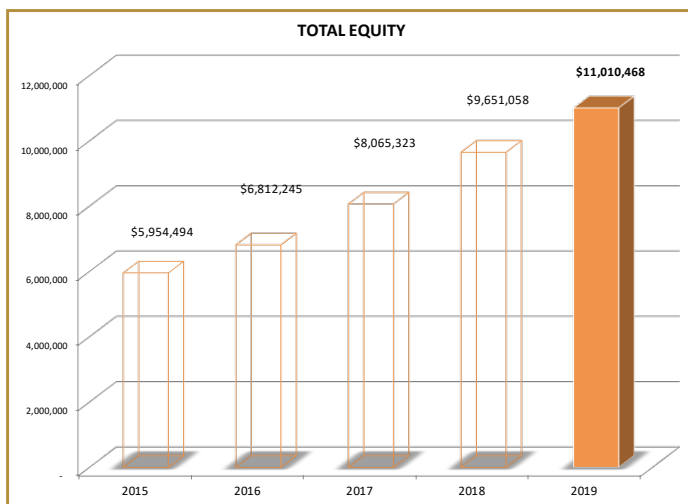
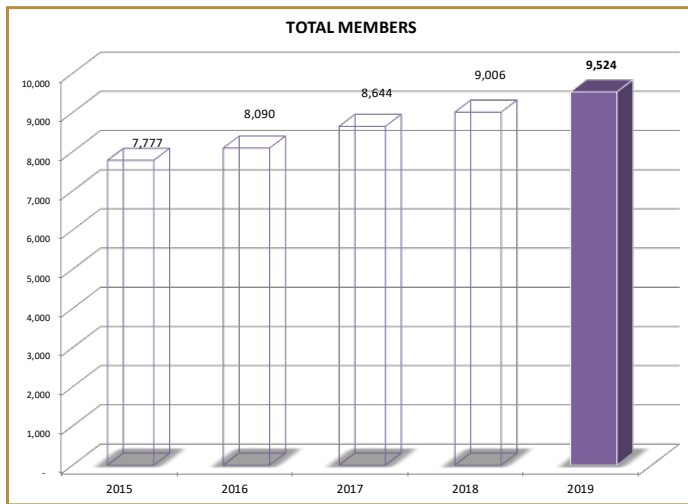
ASSETS	2019	2018	LIABILITIES	2019	2018
Cash and Equivalents	\$19,962,333	\$22,623,560	Accounts Payable and Other Liabilities	\$522,999	\$1,415,574
Receivables	40,488	19,968	Notes Payable	6,499,009	3,622,396
Loans to Members	80,683,341	69,327,751		<u>\$7,022,008</u>	<u>\$5,037,970</u>
Business Loans	15,651,973	14,406,342	<b>Member Deposits</b>		
Allowance for Loan Loss	(466,125)	(345,268)	Savings Accounts	\$23,015,778	\$20,473,699
<b>Investments</b>			Personal Checking	12,629,128	10,236,874
Certificate of Deposit	7,046,106	4,478,791	Business Checking	30,712,540	28,964,234
			Money Market	14,364,733	13,859,902
Accrued Interest	290,838	251,821	Certificate of Deposit	24,300,098	22,184,977
NCUA Share Insurance Fund	796,219	722,898	IRA Accounts	1,024,093	952,481
Prepaid and Other Assets	217,569	142,006	College Saving Plan & all other Shares	2,366,277	2,531,940
Property, Equipment, and Furniture				<u>\$108,412,647</u>	<u>\$99,204,106</u>
Net of accumulated depreciation	2,222,380	2,265,264	<b>Equity</b>		
			Reserve Fund	900,000	900,000
			Undivided Earnings	10,110,468	8,751,058
				<u>\$11,010,468</u>	<u>\$9,651,058</u>
<b>TOTAL ASSETS</b>	<b>\$126,445,123</b>	<b>\$113,893,134</b>	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$126,445,123</b>	<b>\$113,893,134</b>

## CONSOLIDATED STATEMENTS OF OPERATIONS YEARS ENDED DECEMBER 31, 2019 AND 2018

REVENUE	2019	2018
Interest on Loans	\$4,126,679	\$3,644,560
Interest on Investments	288,758	123,381
Fees	2,191,949	2,094,392
Miscellaneous	166,416	191,356
	<u>6,773,802</u>	<u>6,053,688</u>
<b>EXPENSES</b>		
Salaries & Benefits	\$2,387,714	2,131,095
Office Occupancy Expenses	206,490	190,521
Office Operating Expenses	967,900	932,011
Loan Servicing Expenses	327,187	288,995
Professional & Outside Services	95,064	50,839
Marketing / Member Education	115,595	146,921
Misc. Operating Expenses	184,199	164,986
Provision for Loan Losses	301,750	52,738
	<u>4,585,898</u>	<u>3,958,107</u>
<b>COST OF FUNDS</b>		
Interest on Borrowings	\$10,080	\$14,550
Dividend Expenses	818,674	495,297
	<u>828,754</u>	<u>509,847</u>
<b>NET OPERATING GAIN / (LOSS)</b>	<b>1,359,150</b>	<b>1,585,735</b>
Extraordinary Gains and Losses	-	-
<b>CONTRIBUTION TO CAPITAL</b>	<b>\$1,359,150</b>	<b>\$1,585,735</b>







## CASH FLOW

	12/31/19	12/31/18
<b>Cash From Operating Activities:</b>		
Net Income/Loss	\$1,359,150	\$1,585,735
Change in Other Assets	(87,565)	(63,591)
Change in Other Liabilities	(892,575)	278,515
<b>Cash From Operating Activities</b>	<b>379,010</b>	<b>5,423,055</b>

<b>Cash From Investing Activities:</b>		
Change in Investments	(2,567,315)	248,000
Change in Loans	(12,601,221)	(12,705,403)
Change in Fixed Assets	42,884	82,388
Accumulated Unrealized Gains	260	-
<b>Cash From Investing Activities</b>	<b>(15,125,392)</b>	<b>(12,375,015)</b>

<b>Cash From Financing Activities:</b>		
Change in Borrowings	2,876,614	3,622,396
Change in Deposits	9,208,541	14,151,377
<b>Cash From Financing Activities</b>	<b>12,085,154</b>	<b>14,151,377</b>

<b>Net Change in Cash</b>	<b>\$(2,661,227)</b>	<b>\$7,199,417</b>
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Cash at beginning of the period	22,623,560	15,424,144
Cash at end of the period	19,962,333	22,623,560

<b>Net Change in Cash</b>	<b>\$(2,661,227)</b>	<b>\$7,199,417</b>
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*Fazal Manji*  
Treasurer



# PLATINUM FEDERAL CREDIT UNION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

## 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 has investments in Agency Securities; 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 have Investment in agency securities. in Shares, Deposits & CD's in Corporates; CUs and Banks.

	2019
Deposits in CD's banks, and Credit Unions, Corporate CU	\$ 6,711,791
Investments on Available-for-Sale Agency Securities	222,265
Investments on Federal Home Loan Bank of Atlanta	112,050
	<b>\$7,046,106</b>

## Note 3-Loans to Members

The composition of loans to members are as follows:

	2019	
Secured Loan	\$ 4,754,448	4.94%
Personal Loan	5,903,958	6.13%
Auto Loan	49,567,239	51.45%
Student Loan	1,265,690	1.31%
Residential Real Estate	9,505,990	9.87%
Commercial Real Estate	11,950,706	12.41%
Home Equity Line of Credit	5,553,497	5.76%
Business Unsecured	3,560,132	3.70%
Signature Loan	2,860,164	2.97%
Personal Credit Card	1,272,354	1.32%
Business Credit Card	141,135	0.26%
	<b>\$ 96,335,314</b>	<b>100.00%</b>

## Note 4-Allowance for Loan Losses

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

	2019
Balance on 1/1/2018	\$ 345,268
Add: Provision for Loan Losses Expense	301,750
Add: Recoveries on Charged-off Loans	15,273
Less: Charged-off Loans	(196,166)
Balance on 12/31/2018	<b>\$ 466,125</b>

## Note 5-Other Assets & Prepaid and Fixed Assets

Other assets are summarized as follows:

	2019
Prepaid Expense	\$ 153,751
Security Deposit for Office Rent	4,989
Security Deposit for Credit Card Clearing	36,351
Security Deposit for Debit Card Clearing	14,816
Value of Investments in CUSOs	7,662
Total Other Assets & Prepaid	<b>\$ 217,569</b>

Fixed assets are summarized as follows:

	2019
Land, Building and Improvements	\$ 2,719,881
Furniture and Fixtures	330,303
Data Processing Equipment	748,439
Total Cost	\$ 3,798,623
Accumulated Depreciation	(1,576,243)
Net carrying amount	<b>\$ 2,222,380</b>

## Note 6-Deposit Accounts

A summary of deposit accounts are as follows:

	2019
Savings Accounts	\$ 23,015,778
Personal Checking Accounts	12,629,128
Business Checking Accounts	30,712,540
Money Market Accounts	14,364,733
Certificate of Deposits	24,300,098
IRA Accounts	1,024,093
College Saving Plan & All other Shares	2,366,277
Total Deposits	<b>\$ 108,412,647</b>

## 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	10	\$ 481,219



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:

	2019
Revolving open-end lines secured by real estate	\$ 4,237,698
Credit Card lines	8,364,351
Unfunded Commitments for Share Draft LOC	320,582
Unfunded Commitments for Overdraft Protection	2,489,559
Other Unfunded Commitments	12,051
Total Unfunded Commitments	\$ 15,424,241

PICTURES FROM 2019 PFCU PROGRAMS & EVENTS





# BOARD OF DIRECTORS



Rahim Asani  
Chairman



Amin Premjee  
Vice-Chairman



Ali Jamal  
Secretary



Fazal Manji  
Treasurer



Karim Kaisani  
Director



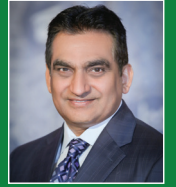
Moyees Merchant  
Director



Shahina Punjani  
Director



Shereza Tajuddin  
Director



Mansoor Wadsariya  
Director

## Supervisory Committee:

Karim Kaisani – Chairman  
Nizar Motani – Member  
Shahid Rupani – Member  
Karim Dhanani – Member  
Karim Vastani – Member

## Recovery Committee:

Shereza Tajuddin – Chairman  
Nawroz Kapadia – Member  
Salman Badruddin – Member  
Ali-Anis Kajani – Member  
Mansoor Wadsariya – Member

## Loan/Credit Committee:

Amin Premjee – Chairman  
Nizar Ali – Member  
Nooruddin Mithani – Member  
Mansoor Wadsariya – Member  
Shereza Tajuddin – Member  
Amin Tejani – Member

## Alabama Branch Management Committee:

Sameer Rattani – Convener  
Hussain Hussain – Member  
Gulzar Nilgiriwala – Member  
Shazia Rajpari – Member

## NY/NJ Virtual Branch Committee:

Saleem Devani – Convener  
Dono Abdurakhmonova – Member  
Kaleem Zalia – Member  
Siraj Himani – Member

## Arkansas Virtual Branch Committee:

Hussain Farista – Convener  
Azmina Merchant – Member  
Hussain Jivani – Member

## Orlando Branch Management Committee:

Issa Kassam – Convener  
Salman Hamirani – Member  
Noorali Pirani – Member  
Faruq Jafri – Member

## Knoxville Virtual Branch Committee:

Karim Boghani – Convener  
Rafiq Virani – Member

## Tampa Virtual Branch Committee:

Nadirshah Rattani – Convener  
Afrose Kalani – Member  
Abdula Khoja – Member  
Taimoor Gillani – Member

## Memphis Virtual Branch Committee:

Kabir Gilani – Convener  
Asma Jiwni – Member  
Nighat Shah – Member  
Sabrina Merchant – Member  
Suleman Sohani – Member

## Virginia Virtual Branch Committee:

Ali Ravji – Convener  
Nilufa Jiwa – Member  
Aslam Gillani – Member  
Ashraf Sangani – Member

**Toll Free:** 1-877-PFCU4YOU (732-8496) | **Website:** [www.PlatinumFCU.org](http://www.PlatinumFCU.org) | **Email:** [MemberService@PlatinumFCU.org](mailto: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

