I approach my annual task of summarizing for you the efforts and accomplishments of your Credit Union with confidence. Despite a year of economic turmoil and financial unrest, Your Neighbourhood Credit Union, driven by professionals dedicated to service, under the stewardship of a strong management team, and overseen by a seasoned Board of Directors, closed the year at 96.4% of our target net income before dividends and taxes.

While some may view that as a disappointment, I see it as a great achievement. It is not news to anyone that 2008 and 2009 brought some of the most trying times in recent memory. Plant closures, job losses, and big hits to savings and investments touched every community and sector. The prime interest rate dropped two and a half percentage points in eight months, and remained at record lows. Despite this, through careful thought and quick action, your Credit Union was able to steer through these challenges and still deliver impressive results.

The enclosed financial reports tell only part of the story of fiscal 2009... our strong balance sheet and prudent management allow us to continue to support lending to members while other financial institutions impose restrictions. Our liquidity will help us keep operating costs low and provide flexibility to meet opportunities without taking on unnecessary risk.

Despite the fact that we did not achieve our target net income this year, we did see growth in assets under administration of 15%. I would like to point out that our results are very impressive as we did not foresee (nor did anyone else, for that matter) the meltdown that affected every economy around the world. This downdraft in economic trend started in the financial services industry, but YNCU has withstood this storm and come out in a positive financial position. In fact, our growth over the past five years places us among the leaders in our industry as well as among our peers.

As a result, Your Neighbourhood Credit Union remains on track with our plans for ongoing reinvestments in our people, our branches, our technology, and our markets. This past year we made significant investments in training, in systems, and in facilities. Fiscal 2009 was a good year for us both despite and because of the challenges and change we experienced. Having said that, let me make it clear we don’t take anything for granted; each and every one of us at YNCU knows we have to earn your trust and business every day. As a member and an owner, you have the right to expect the best from us. When we make a change, you can trust that it is because we have identified a need, recognized an opportunity, or are required to be compliant. Our goal is to make change as easy as we can for you, and the benefits of it as obvious as possible.

I remain sincerely yours,

Comments from John Haines
Chair of the Board of Directors

Still Building, Still Getting Better...

I am writing my annual report to you from my new office, in our new building, at our new location, surrounded by the things that serve as reminders of where we came from, and what we all have been working toward for many years. By definition, growth means change. In a year of change and turmoil, this building represents stability, continuity, achievement and commitment.

Report from Kerry Hadad
Chief Executive Officer

I am writing my annual report to you from my new office, in our new building, at our new location, surrounded by the things that serve as reminders of where we came from, and what we all have been working toward for many years. By definition, growth means change. In a year of change and turmoil, this building represents stability, continuity, achievement and commitment.

I remain sincerely yours,

I remain sincerely yours,

I remain sincerely yours,
The Audit Committee of Your Neighbourhood Credit Union (YNCU) is comprised of four members and has met, as per policy, quarterly over the last fiscal year. The Audit Committee reviewed YNCU’s Disaster Recovery Plan with management and recommended approval of the plan to the Board of Directors. The Committee is pleased to report that there are no outstanding matters which are required to be disclosed pursuant to the Act or Regulations.

LINDA & PINA
Our sponsored dog, Pina, is now a full-Rided Dog Guide in service! At her graduation November 12th, we presented a cheque for $10,005.08 raised from member, staff and public donations. Pina and her partner, Linda, live in Kitchener. You’ll be hearing more about them in the future — watch the website!

Submitted by Scott Richards
Member Relations Committee Chair
• Alzheimer Society
• Assumption Catholic High School
• Bereaved Families of Ontario, Midwestern Region
• Brant Food for Thought
• Cambridge Boys Under 16 Soccer Team
• Centre in the Square
• Community Support Connections - Meals on Wheels
• CUL sponsorship
• Dog Guide Training sponsorship
• Doon-Pioneer Christmas Food Hamper
• Every Kid Counts
• Brantford Food Bank
• Camridge Self Help

The Member Relations Committee is a standing committee of the Board with a mandate to build strong member relations, facilitate effective communication between the Members and the Board and administer the Charitable Donations Policy. Members can share thoughts and suggestions by attending the MRC meeting held quarterly, or by completing comment cards available at all branches. All cards are forwarded to the Committee for review and follow-up. Whenever a comment refers to facilities or services the matter is addressed by the Branch Manager and the response is noted. Members are encouraged to continue to take the time to complete the comment cards. In 2010 the Committee plans to introduce direct communication through the YNCU website.

On behalf of Directors Jacqueline Bester, John Crowle, Diane Smyth-Hicks, and Mike Walsh, I respectfully submit this report.

Submitted by John Crowle
Member Relations Committee Chair

The Audit Committee of Your Neighbourhood Credit Union (YNCU) is comprised of four members and has met, as per policy, quarterly over the last fiscal year.

The Audit Committee reviewed YNCU Disaster Recovery Plan with management and recommended approval of the plan to the Board of Directors.

The Audit Committee met twice with the external auditors this fiscal year. The first meeting was to confirm the audit fee and to confirm the terms of engagement for the audit of YNCU’s financial statements for the year ended September 30, 2009. At the second meeting the Audit Committee reviewed, discussed and recommended for approval the audited financial statements of Your Neighbourhood Credit Union.

These audited financial statements were then presented to the Board and are now prepared for approval by the membership. The external auditors also confirmed to the Audit Committee that no items of concern came to their attention during their audit.

The Committee is pleased to report that there are no outstanding matters which are required to be disclosed pursuant to the Act or Regulations.

Submitted by Peter Muise
Chair, Audit Committee

**YNCU - LENDING SERVICES REPORT FOR FISCAL 2009**

<table>
<thead>
<tr>
<th>Category</th>
<th>Total Personal Loans &amp; Lines of Credit</th>
<th>Total Residential Mortgages &amp; Mortgages</th>
<th>Total Small Business Banking</th>
<th>Total Agricultural</th>
<th>Total Corporate</th>
<th>YNCU Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Loan applications received</td>
<td>1,552</td>
<td>1247</td>
<td>65</td>
<td>56</td>
<td>95</td>
<td>3,011</td>
</tr>
<tr>
<td>Number of Loan applications granted</td>
<td>1,053</td>
<td>797</td>
<td>52</td>
<td>31</td>
<td>22</td>
<td>1,875</td>
</tr>
<tr>
<td>Number of Loan applications withdrawn or declined</td>
<td>499</td>
<td>510</td>
<td>51</td>
<td>25</td>
<td>71</td>
<td>1,136</td>
</tr>
<tr>
<td>$85 Gross Value of Loans granted</td>
<td>$13,870,722</td>
<td>$110,576,780</td>
<td>$5,355,400</td>
<td>$42,358,580</td>
<td>$254,056,547</td>
<td>$703,107,929</td>
</tr>
<tr>
<td>Number of delinquency loans over 90 days</td>
<td>83</td>
<td>19</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>105</td>
</tr>
<tr>
<td>$85 Value of delinquency loans over 90 days</td>
<td>$57,678</td>
<td>$2,895,555</td>
<td>$116,558</td>
<td>$0</td>
<td>$750,300</td>
<td>$5,355,769</td>
</tr>
</tbody>
</table>

**MEMBER RELATIONS COMMITTEE**

The Committee is pleased to report that there are no outstanding matters which are required to be disclosed pursuant to the Act or Regulations.

Submitted by Peter Muise
Chair, Audit Committee