

Locations to serve you... 13

7 Charlotte Street (at Colborne) Brantford T: 519.759.7550	105 Ontario Road Mitchell T: 519.348.8448
403 Fairview Drive (at West Street) Brantford T: 519.759.1150	75 Grand River Street North Paris T: 519.442.2622
385 Hespeler Road (at Cambridge Centre Mall) Cambridge T: 519.622.3377	268 Huron Road Sebringville T: 519.393.6670
685 Fischer-Hallman Road (at Ottawa) Kitchener T: 519.744.5921	6 Huron Road East Shakespeare T: 519.625.8400
1334 Weber Street (across from old Hiway Market) Kitchener T: 519.894.9700	1067 Ontario Street (in the Festival Marketplace Mall) Stratford T: 519.271.9083
5844 Malden Road (in the Town Centre Plaza) LaSalle T: 519.250.0286	168 King Street South (uptown Waterloo) Waterloo T: 519.579.1860
	5415 Tecumseh Road East (at Rivard) Windsor T: 519.258.3890

Special General Meeting of Your Neighbourhood Credit Union January 20, 2009

Your Neighbourhood Credit Union is the result of a merger between Mitchell & District Credit Union and Your Neighbourhood Credit Union effective March 1, 2008. The purpose of this evening's meeting is to review financial and other operating reports for the seven-month period ending September 30, 2008.

Please Note: This is a Special General Meeting. YNCU is not able to hold an Annual General Meeting until it has been an entity for 12 months (one year). The first Annual General Meeting (AGM) of Your Neighbourhood Credit Union will take place following the September 30th 2009 year end.

AGENDA

1. Call to Order, 7:00 p.m.
2. Report on Registration and Establishment of Quorum
3. Words of Welcome
4. Adoption of the Agenda
5. Comments by Chairman of the Board, John Haines
6. Report of the Auditor, Collins Barrow Chartered Accountants
7. Presentation 'The Market – Where we were, Where we're going'
by *Special Guest*, Kevin Bonello, VP Regional Sales CI Funds
8. Question Period
9. New Business
10. Adjournment

Refreshments to Follow

www.yncu.com

Comments from John Haines Chair of the Board of Directors

The Journey Continues...

It is always a gratifying experience once a year to present these words. In my role as Chair of your Board of Directors, I have the privilege of being aware of many of the inner workings of your Credit Union. I know the strategic plans in place to keep YNCU moving and growing, and I know well the many people who will make it happen.

When I look at the newspapers and listen to the reports about the state of the economy today, and the predictions of what the near future may look like, I do so with a sense of confidence many people do not have. In the past three years your Credit Union has been on a more positive path than I have seen in my 18 years of service to you. Three years ago, your Board selected a dynamic individual to be the Chief Executive Officer of your Credit Union. Since that date his challenge to us is that we could be better... and that is what we are.

A few weeks ago, I heard Kerry say to the YNCU staff that, unlike some other larger financial organizations, we will not cut our way out of this recession. We will invest our way out. We will invest in people, in technology, in training, in service. And we will come out the other side strong... and better.

We are a better place to save and invest; a better place to borrow; a better place to be a member and an employee. We are a better credit union today, and getting better all the time. We are well-positioned to meet head-on what the economy and the markets will bring our way.

With more and more entrants into the financial services field and the uncertain times, we will face challenges to meet our goals in the coming year or two. But one thing remains true and stable, and that is that Your Neighbourhood Credit Union is financially strong, adequately reserved, well managed by your Board and Senior Management Team, and most importantly, well served by our great staff. The evidence is in the enclosed reports, and is visible in each one of our branches. The Board is grateful for our staff's effort and dedication.

There continues to be an enduring theme for me as I give these reports to you. Getting better means always being on the move, being ready to respond when an opportunity presents itself, looking for the extra something we can do to make your experience as an owner and a member a valuable one.

I look forward to our next gathering when I can again look back at months of accomplishments and goals achieved, and I can show you AGAIN that we are better... even better than before.

I remain sincerely yours,



Report from Kerry Hadad Chief Executive Officer

By any measure, the last year was a remarkable one for Your Neighbourhood Credit Union, merging not once, but twice to create a single, better credit union. Each of the founding credit unions in this venture (Mitchell & District Credit Union, Grand River Credit Union and Your Neighbourhood Credit Union) brought their own long histories of service, but we all share the same values and are guided by the same co-operative principles.

Each decided to make a strategic move to join forces to meet the challenges of a new year and a new economic reality. And at the end of September 2008, despite the demands of bringing three entities and more than 120 people together, we closed the books on another profitable year. We are financially strong and able to weather any economic storm that comes our way. This is the result of hard work, very hard work, at every level of the organization and I want to recognize here the contributions of every staff member of Your Neighbourhood Credit Union.

Perhaps most impressive during such a busy and trying time is that our focus on the future, and on continuous improvement, never wavered. I am grateful to the amazing group of people who work here who keep things moving forward every day. But, as with all change, I have also heard some complaints. I wish it were possible to please everyone all the time, but of course it isn't. I also wish it were possible to deliver improvements and upgrades immediately, but these things take time.

Today, as it has always been, my promise to you is that we will make the right decisions for YNCU, decisions that will keep us competitive, forward-thinking, and always in pursuit of the goal of being 'better'.

We have much to be proud of this past year, but we still have much work to do. With the current economic environment upon us, we have a new challenge to contend with. But as we know, we each have a long history to be proud of and a promising future to look forward to. Together, we are better prepared to face any challenge and welcome any opportunity that presents itself.

I close, as I always do, welcoming you to contact me and let me know what matters most to you, because that's what matters most to me.

Cordially,




YNCU - LENDING SERVICES REPORT FOR FISCAL 2008*

Category	Total Personal Loans & Lines of Credit	Total Residential Mortgages & Meritlines	Total Small Business Banking	Total Agricultural	Total Corporate Commercial Lending	YNCU Total
Number of Loan applications received	1,721	1,116	31	39	58	2,965
Number of Loan applications granted	1,216	734	20	26	33	2,029
Number of loan applications withdrawn or declined	505	382	11	13	25	936
\$\$\$ Gross Value of Loans granted	\$16,061,421	\$108,301,753	\$3,362,128	\$3,135,885	\$33,035,514	\$163,896,701
Number of delinquent loans over 90 days	70	36	2	0	3	111
\$\$\$ Value of delinquent loans over 90 days (includes non specific reserve of \$230,927)	\$584,522	\$3,840,680	\$120,009	\$ -	\$1,303,553	\$5,848,764

The information outlined represents the CONSOLIDATED** number of loan applications received, granted and declined/withdrawn by applicants by the Your Neighborhood Credit Union Limited, FOR THE 12 MONTH PERIOD COMMENCING OCT 1, 2007 TO SEPT 30, 2008 as well as, reports the number and dollar extent of loans (all lending types) 90 days or more in arrears as at SEPT 30, 2008. Value of delinquency reported is gross dollar delinquency, as per DICO by-law 6, prior to any adjustments for security held in support of those advances. The lending application process adheres to the Credit Management and Operational Policies of Your Neighborhood Credit Union Limited and is subject to the review of the Audit Committee and Risk Management Committee on behalf of the Board of Directors. The report is issued in compliance with the requirements of the Credit Unions and Caisses Populaires Act, 1994 (Ontario) under subsection 120 (2). Respectfully submitted by: Hugh L. Terry, Manager, Retail Lending Services, Sandra Eedy, Manager, Agricultural & Small Business Lending and Larry J. Kelly, Manager Commercial Lending & Collection. Approved for issuance: G. Wilson, Vice President Lending Services

* Source reports - compilation of YNCU Lending Services monthly Board reporting. ** Your Neighborhood Credit Union Limited merged with Mitchell and District Credit Union Limited on March 1, 2008.

CONDENSED FINANCIAL STATEMENT

Balance Sheet	September 30, 2008	September 30, 2007
Cash and Investments	45,893,848	63,916,389
Loans and Mortgages	405,006,106	353,418,073
Other Assets	9,651,690	9,355,959
Total Assets	460,551,644	426,690,421
Member Deposits	405,408,253	369,606,470
Other Liabilities	26,159,943	29,205,310
Share Capital	4,707,759	5,239,231
Retained Earnings	24,275,689	22,639,410
Total Liabilities and Members' Equity	460,551,644	426,690,421
Statement of Income and Expense	September 30, 2008	September 30, 2007
Interest Earned	24,387,914	22,347,041
Other Income	2,731,457	2,985,153
Total Revenue	27,119,371	25,332,194
Interest Paid to Members	12,857,855	11,806,516
Class B Investment Share Dividend	223,967	227,400
Other Interest	450,885	361,868
Financial Margin	13,586,664	12,936,410
Loan Allowance Costs	449,118	298,922
Personnel Costs	5,990,132	5,600,224
Operating Costs	5,344,532	5,368,570
Income before Income Taxes and Patronage dividend	1,802,882	1,668,694
Income Taxes	34,559	459,833
Patronage dividend paid to members	245,500	228,000
Net Income	1,522,823	980,861

MEMBER RELATIONS COMMITTEE

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.

The 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. Many comments are words of appreciation for the effective and thoughtful manner staff fulfilled their responsibilities. Members are encouraged to continue to take the time to complete the comment cards.

Each year your credit union contributes one percent of the pre-tax profits earned during the previous year to local community charities and organizations, youth initiatives and sponsorships. During the 2008 fiscal year Your Neighbourhood Credit Union donated a total of \$21,868. The complete list of donations and sponsorships follows this report. Once again we were pleased to help support the Dog Guides Foundation for the training, graduation and adoption of a new puppy, Pina, and to provide the opportunity for two youths to attend the Cooperative Young Leaders Camp. Both of these initiatives will continue in 2009 and we encourage all members to look for information in the branches and on the web site.

As Chair of this committee, it has been my pleasure to represent the Members by voicing comments and compliments and supporting the community through charitable donations. On behalf of Directors Jacqueline Bester, Diane Snyder-Hilts, Scott Richards and Stan Hazle, I respectfully submit this report.

Elizabeth Esenbergs

- Alzheimer Society
- Brant County 4-H club
- Catholic Youth Organization (Basketball)
- Co-operative Youth Leadership camp sponsorships
- Dog Guide Training sponsorship
- Doon-Pioneer Christmas Food Hamper
- Food Banks in Brantford, Cambridge, Stratford, Paris, & Waterloo Region
- Hope Spring Cancer Support Centre Ho Ho Ho tour
- Hospitals: Brantford General, Cambridge Memorial, Grand River General, Hotel Dieu Grace (Windsor), St. Mary's (Kitchener), Stratford General, Willett Centre (Paris), Windsor Regional, Stedman Community Hospice (Brantford)
- Kitchener Junior Rangers Hockey
- Public libraries in Brantford, Cambridge, Paris, Kitchener, Stratford, Waterloo, West Perth, and Windsor
- Meals on Wheels & Cambridge Home Support
- MS Sponsorship (Barry Ashby)
- Parents for Community Living
- Perth County Historical Foundation
- St. Mary's Cardiac Unit Spin 12
- Timothy Rose Memorial Fund
- Windsor Community Choir
- Windsor Ice Bullets Disabled Hockey Team
- Women's Crisis Services of Waterloo Region



PINA
Future Dog Guide

AUDIT COMMITTEE REPORT

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

The Audit Committee, after the amalgamation between YNCU and Mitchell District Credit Union, prepared for the Board a Terms of Reference for the Audit Committee. The Board subsequently adopted this revised mandate. The Committee has also worked to revise the YNCU extended audit procedures for the next fiscal year.

During the most recent meeting, the Audit Committee met with the external auditors, 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 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 Anthony Piscitelli
Chair, Audit Committee

