AGENDA

1 CALL TO ORDER
2 MOMENT OF SILENCE
3 REPORT ON REGISTRATION AND ESTABLISHMENT OF QUORUM
4 WORDS OF WELCOME
5 ADOPTION OF THE AGENDA
6 MINUTES OF THE ANNUAL GENERAL MEETING OF JANUARY 27, 2010
7 COMMENTS BY JOHN HAINES, CHAIR OF THE BOARD OF DIRECTORS
8 BUSINESS REPORTS
   REPORT OF THE AUDITOR, MEYERS NORRIS PENNY LLP
   REPORT OF THE CEO ON THE FINANCIAL STATEMENTS
   REPORT OF THE AUDIT COMMITTEE
   REPORT OF THE LOAN OFFICER
9 ADDRESS BY NOMINEES AND ELECTION OF DIRECTORS
10 QUESTION PERIOD
11 NEW BUSINESS
   APPROVAL BY THE MEMBERSHIP OF THE NEW BYLAWS
12 GUEST SPEAKER MIKE MOORE, ‘LIGHT UP WITH LAUGHTER’
13 ADJOURNMENT
Report from John Haines
Chair of the Board of Directors

While the year 2010 was a time of major economic change and adjustment, Your Neighbourhood Credit Union’s fiscal 2010 was a year of growth and stability. Despite extraordinary upheaval in the markets, your Board and Management team remained focused on achieving the goals set out in our strategic plan.

In addition to providing required oversight, your Board of Directors participated in new and ongoing professional development to ensure we are well-positioned to meet the challenges of an evolving regulatory environment. Your Management team delivered on the strategic objectives that form the foundation of our business plan. This strategic plan has three primary areas of focus: Marketing, Human Resources and Growth.

In the area of Marketing, we have devoted more resources to ensuring we are visible in the communities we serve, and that more people know who we are and what a Credit Union is. Our brand is maturing and our investment in advertising means we are seeing the benefit of name recognition. Through our efforts in sponsorship and community support, Your Neighbourhood Credit Union is becoming better known all the time.

An increasing focus on market research means we are better at measuring what we do, and better able to anticipate market trends and provide new products and services.

In the area of Human Resources, your Credit Union has made several key hiring decisions that better position us for growth and the ever-increasing demands of the financial environment. We are continuing with an ambitious plan to provide training and personal development opportunities to every employee, increasing both their skill and satisfaction levels.

In terms of growth, your Credit Union delivered a fiscal year-end net income of $1.65 million, exceeding target by 18.8%. In reporting this, it's important to point out that your account fees have not changed in four years. To achieve this result in the recent economic environment is a testament to both your Management team and the efforts of those who work with and for you in the branches. Most members are doing more business with us, making YNCU their first choice for their financial needs. In addition to this internal growth, YNCU continued to pursue growth by seeking like-minded merger partners. We were honoured to be the merger partner of choice for Fiberglas Employees Gaugh Credit Union; on October 1st we welcomed 250 new members and two new employees.

Despite a year of economic turmoil and uncertainty, your Credit Union remained ready in its resolve to provide the best service and results to you, and to continuing on a path for the future. While the world, markets, regulations and technology continue to evolve and place new demands on us, we are better positioned than ever before to turn those challenges into opportunities.

It remains my pleasure and honour to be a Member and to serve you as your Board Chair.

John Haines
Report from Kerry Hadad
Chief Executive Officer

How best to describe the events of the last year? The words unpredictable and unprecedented come to mind. While world and local markets shivered, plunged and made tentative comebacks based on actual events or the fear of what might happen, Your Neighbourhood Credit Union stood out for one simple reason – we remained steady in our resolve to do what we do best. Our results prove that this single-minded resolve is what works for our members.

What do we do best? We provide professional, accessible and friendly services to help you achieve your financial goals. It’s really as simple as that.

In an economy where dire predictions ruled the headlines (and some came to pass), in fiscal 2010 YNCCU’s assets grew by $25 million to $532 million dollars. We achieved net income of more than $1.6 million, almost 20% above target. We returned another $180,000 in patronage dividends to our members, totaling almost $1.4 million since 2005. Our balance sheet is solid, and our level of expertise grows along with the demands of our regulators and the markets.

What else did we do? Your Neighbourhood Credit Union met member demand and opened another branch in Waterloo Region. We refurbished three branches this year, and will provide a facelift to every other branch over time. In addition, our investment in the Woodstock and Guelph markets, both of which were small closed bond credit unions enables us to offer more to their loyal and long-term members.

We’re implementing a wealth management strategy that will better serve the complete saving and financial planning needs of our members – both those who are starting out, and those who are contemplating what retirement will be like.

And why do we do it? For you, our members. The more you expect from us, the more you raise the bar, the more we push to exceed your expectations. You are what makes us Your Neighbourhood Credit Union.

I close, as I always do, with an invitation for you to let me know what matters most to you because that’s what matters most to me.

Cordially,
The information outlined represents the CONSOLIDATED number of loan applications received, granted and declined/drawn by applicants by Your Neighborhood Credit Union Limited FOR THE 12 MONTH PERIOD COMMENCING OCT 1, 2009 TO SEPT 30, 2010 as well as reports the number and dollar extent of loans (all lending types) 90 days or more in arrears as at SEPT 30, 2010.

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.

Respectfully submitted by:   Hu   gh L. Terry, Mana   ger, Retail Lendin   g Services,   Sandra Eedy, Mana   ger, A   gricultural & S   mall Busin   e   ss Lendin   g and Larry J. Kelly, Mana   ger, C   orporate Lendin   g

Approved for issuance:   Glenn Wilson, Vice President, Lendin   g Services

* Source reports - compilation of YNCU Lending Services monthly Board reporting.
## CONDENSED FINANCIAL STATEMENT

### Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>September 30, 2010</th>
<th>September 30, 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Investments</td>
<td>55,151,818</td>
<td>63,078,239</td>
</tr>
<tr>
<td>Loans and Mortgages</td>
<td>465,096,424</td>
<td>420,019,387</td>
</tr>
<tr>
<td>Other Assets</td>
<td>15,425,444</td>
<td>11,178,535</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>532,273,486</td>
<td>506,876,959</td>
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<tr>
<td>Member Deposits</td>
<td>468,384,948</td>
<td>493,787,430</td>
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<tr>
<td>Other Liabilities</td>
<td>32,699,818</td>
<td>37,257,098</td>
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<tr>
<td>State Capital</td>
<td>4,529,312</td>
<td>4,693,042</td>
</tr>
<tr>
<td>Retained Earnings</td>
<td>26,095,328</td>
<td>25,221,095</td>
</tr>
<tr>
<td><strong>Total Liabilities and Members' Equity</strong></td>
<td>532,273,486</td>
<td>506,876,959</td>
</tr>
</tbody>
</table>

### Statement of Income and Expense

<table>
<thead>
<tr>
<th></th>
<th>September 30, 2010</th>
<th>September 30, 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Earned</td>
<td>23,813,716</td>
<td>24,199,469</td>
</tr>
<tr>
<td>Other Income</td>
<td>3,043,681</td>
<td>2,733,569</td>
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<tr>
<td><strong>Total Revenue</strong></td>
<td>26,857,397</td>
<td>26,933,438</td>
</tr>
<tr>
<td>Interest Paid to Members</td>
<td>13,201,440</td>
<td>12,933,540</td>
</tr>
<tr>
<td>Class B Investment Share Dividend</td>
<td>131,151</td>
<td>135,199</td>
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<tr>
<td>Other Interest</td>
<td>197,533</td>
<td>387,165</td>
</tr>
<tr>
<td><strong>Financial Expenses</strong></td>
<td>11,508,124</td>
<td>12,915,904</td>
</tr>
<tr>
<td>Provision for impaired Loans</td>
<td>650,010</td>
<td>941,566</td>
</tr>
<tr>
<td><strong>Financial Margin</strong></td>
<td>14,077,273</td>
<td>13,075,968</td>
</tr>
<tr>
<td>Operating Expense</td>
<td>13,019,632</td>
<td>11,425,232</td>
</tr>
<tr>
<td><strong>Income Before FMV Adjustments</strong></td>
<td>1,537,641</td>
<td>1,646,736</td>
</tr>
<tr>
<td>Fair Market Value Adjustments</td>
<td>225,064</td>
<td>-135,336</td>
</tr>
<tr>
<td><strong>Income before Income Taxes and Patronage dividend</strong></td>
<td>1,862,705</td>
<td>1,511,400</td>
</tr>
<tr>
<td>Income Tax</td>
<td>352,300</td>
<td>385,160</td>
</tr>
<tr>
<td>Patronage dividend paid to members</td>
<td>180,000</td>
<td>180,000</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>1,350,205</td>
<td>966,300</td>
</tr>
</tbody>
</table>
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 committee consists of Jacqueline Bester and Diane Snyder-Hilts and me as Chair.

The Member Relations Committee meets four times a year to discuss one percent of your Credit Union’s pre-tax profits earned during the previous year to local community charities and organizations, youth initiatives and sponsorships. During the 2010 fiscal year YNCU donated a total of $21,600. The complete list of donations and sponsorships follows this report.

Thank you to all our members who shared their thoughts and suggestions by attending the MRC meetings or by completing a comment card in our branches. All cards are forwarded to the committee for review and follow-up. Comments referring to facilities or services are addressed by the Branch Manager and the response is noted. Many comments are words of appreciation for the effective and thoughtful manner in which staff fulfilled their responsibilities. Members are encouraged to continue to take the time to complete the comment cards.

In closing, I would like to extend our sincerest appreciation to you, our Members, for your continued loyalty and support. Please spread the good news to your family and friends so that they too can experience the benefits of community banking with membership in Your Neighbourhood Credit Union.

Submitted by Adam Wilhelm
Chair, Member Relations Committee

• Bereaved Families of Ontario-Midwestern Region
• Brant Food for Thought
• Brantford General Hospital
• Cambridge Memorial Hospital
• Cambridge United Under 17 Boys Soccer Team
• Catholic Youth Organization
• CYL Sponsorship
• Doon-Pioneer Christmas Food Hamper
• Food Bank - Brantford
• Food Bank - Cambridge Self Help
• Food Bank - Stratford House of Blessing
• Food Bank of Paris
• Food Bank of Waterloo Region
• Fullarton A’s Junior Mens Team
• Grand River General Hospital
• Hope Spring Cancer Support Centre
• Hospitals (Hotel Dieu Grace - Windsor)
• Hospitals (Willen Centre - Paris)
• House of Blessing
• Huron-Perth United Presbyterian
• Summer Camp
• Interfaith Community Counselling Centre (New Hamburg)
• Juvenile Diabetes Research Foundation
• Kitchener Junior Rangers Hockey
• Kitchener Sport U15 B Girls
• Kitchener Waterloo Track & Field Association
• Kiwanis Festival of the Performing Arts
• LaSalle Police Service
• Milverton Agricultural Society
• Mitchell Minor Sports
• Mosaic Counselling & Family Services
• MS Sponsorship (Barry Ashby)
• Nutrition for Learning
• Perth County Historical Foundation
• Ray of Hope
• Shakespeare Ophelids Club
• SS Sabres Football
• St. Mary’s Cardiac Unit Spin 12
• St. Mary’s Hospital
• Stratford General Hospital
• Victim Services of Brant - Fight Against Drunk Driving
• Wayne Curtin Coaching Award
• Windsor Regional Hospital
REPORT OF THE AUDIT COMMITTEE

The Audit Committee of Your Neighbourhood Credit Union (YNCU) is a committee of four directors, appointed by the Board of Directors pursuant to Section 125 of the Credit Unions and Caisses Populaires Act, 1994 (Ontario) and Section 27 of Ontario Regulation 237/09.

The Board of Directors has approved a mandate which specifies the duties to be performed by the committee. The committee is pleased to report that during the past fiscal year the committee has fulfilled the requirements of the mandate.

The committee met five times during the 2010 fiscal year and completed the following key activities:

- Reviewed the Credit Union's disaster recovery plan;
- Reviewed reports of regulatory compliance audits;
- Reviewed the Credit Union's plan and progress for implementing International Financial Reporting Standards ("IFRS");
- Reviewed internal audit activities with the CFO and Compliance Officer.

There are no significant recommendations made by the committee that have not been implemented by the Credit Union. As well, the committee is pleased to report that there are no outstanding matters which are required to be disclosed pursuant to the Act or Regulations.

Respectfully submitted,

Peter Mauje – Committee Chair
Frank Burgand, William Klooster, Doug Patton – Committee Members
Locations to serve you...

**Brantford**
7 Charlotte Street (at Colborne)
T: 519.759.7550

**Brantford**
403 Fairview Drive (at Win Smart)
T: 519.759.1150

**Cambridge**
585 3rd Spero Road (at Cambridge Centre Mall)
T: 519.622.3377

**Guelph**
1-888-221-2212
SERVING FIBREGLAS EMPLOYEES ONLY, until further notice.

**Kitchener**
685 Fischer-Hallman Road (at Ottawa)
T: 519.744.5921

**Kitchener**
1334 Weber Street East (across from old Irvy Market)
T: 519.894.9700

**LaSalle**
5844 Malden Road (in the Town Centre Plaza)
T: 519.250.0286

**Mitchell**
105 Ontario Road
T: 519.348.8448

**Paris**
75 Grand River Street North
T: 519.442.2822

**Sebringville**
266 River Road
T: 519.393.6670

**Shakespeare**
5 Huron Road East
T: 519.620.8409

**Stratford**
1067 Ontario Street (in the Festival Market Place)
T: 519.271.9083

**Uptown Waterloo**
168 King Street South
T: 519.572.1360

**Windsor**
5415 Tecumseh Road East (at Rosedale)
T: 519.258.3890

**Woodstock**
273 Ingersoll Avenue (in the Standard Tube Plant)
T: 519.537.8121

**Waterloo Crossing Plaza**
655 Erb Street West (at Ira Needles Blvd.)
T: 519.804.9840

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CORPORATE OFFICE: 38 Executive Place, Kitchener T: 519.804.9190