2009 | Weathering the storm

"We have worked with countless members helping them get through a major life event..."

Bruce J. Fafard
President/CEO

WEATHERING THE STORM

I’m sure that not many reading this would argue the point that it is an appropriate way to describe 2009. Not to get too philosophical, but during difficult times we often take stock of what we have, what is truly needed in our lives, and what is of value to us.

Certainly family and friends are my first thoughts, but I also think of my Credit Union. I say my Credit Union, because like you, I am a member-owner of Ledge Light Federal Credit Union. And unlike the “too large to fail” banks, my Credit Union knows my name, knows my family, and even the name of my dog. They are also there to help us weather the storm, whether that means a job change, purchase of our first home, or sending someone off to college. And that is what we did this year.

We have worked with countless members helping them get through a major life event, avoid a 12% increase in another institution’s credit card, or a student loan for themselves or family member to improve their quality of life.

We experienced several events in 2009 that forced us to use our capital reserves to absorb these financial shocks. The corporate credit union we dealt with for a number of services experienced investment losses which impacted our balance sheet as well. The careful and consistent planning of your Board of Directors, management, and conservative policies and procedures resulted in us being able absorb this onetime event and remain firmly within the NCUA’s classification of well capitalized Core operations for the year continued to produce a positive Return on Assets (ROA) and we grew overall assets by 12.6% to $189 million.

Ledge Light Federal Credit Union introduced CO-OP Shared Branching in the fourth quarter allowing members to access their account at over 4,000 full service branch locations and 28,000 Surcharge-Free ATMs across the United States. Before you take your next road trip, be sure that you know exactly where to get your cash for free at one of these locations, here’s how: Text your location – address, intersection or zip code – to 692667 from any mobile phone or download the database of more than 28,000 surcharge-free ATMs directly to your Garmin, Tom Tom or other GPS device*. It’s that easy!

During 2009 we also converted to a new Credit Card processor giving us the capability to expand our program and offer more services. Along with this conversion we are offering 24/7 call center support for any member who made need it.

Listening to our members’ need for student lending we introduced the LLEAP Student Loan product. Demand for this product exceeded our expectations and we will be introducing an enhanced student loan product in 2010.

We appreciate the confidence you have placed in your Credit Union and will continue to expand our services and products to meet your changing financial needs regardless of the economic climate. If you have a suggestion, give one of our colleagues a call today or call me directly at 860-441-0901.

Have a great year!

Bruce J. Fafard
President & CEO

*Like CO-OP Network ATMs, 692667 is a surcharge-free service. But check with your mobile phone provider as standard text messaging rates apply. And don’t worry, you won’t receive any unsolicited messages by using 692667.
Statement of Financial Condition

**Assets**

<table>
<thead>
<tr>
<th>Description</th>
<th>December 31, 2009</th>
<th>December 31, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Deposits</td>
<td>$(119,076)</td>
<td>$72,883</td>
</tr>
<tr>
<td>Investments</td>
<td>$93,167,699</td>
<td>$76,092,992</td>
</tr>
<tr>
<td>Loans to Members</td>
<td>$91,863,860</td>
<td>$86,953,347</td>
</tr>
<tr>
<td>Accrued Income</td>
<td>$749,977</td>
<td>$763,726</td>
</tr>
<tr>
<td>Land &amp; Building</td>
<td>$3,529,860</td>
<td>$3,606,319</td>
</tr>
<tr>
<td>Other Assets</td>
<td>$474,776</td>
<td>$307,560</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$189,667,096</td>
<td>$167,796,827</td>
</tr>
</tbody>
</table>

**Liabilities & Member Equity**

**Liabilities**

<table>
<thead>
<tr>
<th>Description</th>
<th>December 31, 2009</th>
<th>December 31, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Liabilities</td>
<td>$4,269,323</td>
<td>$2,744,502</td>
</tr>
<tr>
<td>Shares</td>
<td>$26,233,943</td>
<td>$24,932,256</td>
</tr>
<tr>
<td>Share Drafts</td>
<td>$23,471,519</td>
<td>$21,696,377</td>
</tr>
<tr>
<td>Money Market Accounts</td>
<td>$78,128,029</td>
<td>$53,153,938</td>
</tr>
<tr>
<td>Club Accounts</td>
<td>$1,928,724</td>
<td>$1,647,232</td>
</tr>
<tr>
<td>IRA Accounts</td>
<td>$14,095,881</td>
<td>$10,392,139</td>
</tr>
<tr>
<td>Term Shares</td>
<td>$25,873,030</td>
<td>$35,689,311</td>
</tr>
<tr>
<td>Dividends Payable</td>
<td>$56,835</td>
<td>$85,160</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$174,057,284</td>
<td>$150,340,915</td>
</tr>
</tbody>
</table>

**Member Equity**

<table>
<thead>
<tr>
<th>Description</th>
<th>December 31, 2009</th>
<th>December 31, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular Reserves</td>
<td>$1,582,525</td>
<td>$1,582,525</td>
</tr>
<tr>
<td>Undivided Earnings</td>
<td>$14,027,287</td>
<td>$15,873,387</td>
</tr>
<tr>
<td><strong>Total Member Equity</strong></td>
<td>$15,609,812</td>
<td>$17,455,912</td>
</tr>
<tr>
<td><strong>Total Liabilities &amp; Member Equity</strong></td>
<td>$189,667,096</td>
<td>$167,796,827</td>
</tr>
</tbody>
</table>
2009 | Weathering the storm

On behalf of Ledge Light Federal Credit Union’s Board of Directors, I am pleased to be able to report to you that your credit union has made substantial progress in addressing and resolving the critical issues we were confronted with over this past year’s “PERFECT STORM”.

During this extraordinary period, we have navigated around most of the issues facing the economy and the world financial system. The experience, knowledge and acumen of the Board, CEO and staff were instrumental in circumventing the rough seas encumbering our future course.

As a cooperative, our objective is to value responsible finance, a prerequisite for a strong foundation of consistent growth and profitability. In addition, we are committed to building successful relationships, creating value for our members and strengthening our capital structure.

As always, we appreciate your loyalty and support in utilizing Ledge Light as your preferred financial services connection throughout the many phases of your life.

Looking forward, I am confident that, with our outstanding team, we will continue to succeed in delivering innovative products and services to satisfy your financial needs and interests.

Sincerely,

Adam A. Smogowicz
Chairman of The Board

“... we are committed to building successful relationships, creating value for our members ...”
Statement of Income

**Income**

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2009</th>
<th>December 31, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest on Loans</td>
<td>$5,680,515</td>
<td>$5,390,132</td>
</tr>
<tr>
<td>Income on Investments</td>
<td>$2,442,722</td>
<td>$3,221,727</td>
</tr>
<tr>
<td>Miscellaneous Income</td>
<td>$1,446,514</td>
<td>$1,586,847</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>$9,569,751</td>
<td>$10,198,706</td>
</tr>
</tbody>
</table>

**Expenses**

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2009</th>
<th>December 31, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends</td>
<td>$2,648,667</td>
<td>$3,182,723</td>
</tr>
<tr>
<td>Provision for Loans</td>
<td>$777,797</td>
<td>$454,416</td>
</tr>
<tr>
<td>Office Operations</td>
<td>$3,766,588</td>
<td>$2,894,930</td>
</tr>
<tr>
<td>Office Personnel</td>
<td>$3,207,642</td>
<td>$2,957,475</td>
</tr>
<tr>
<td>Association Dues</td>
<td>$22,160</td>
<td>$25,924</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$10,422,854</td>
<td>$9,515,468</td>
</tr>
</tbody>
</table>

| Gain on the Sales of Assets | $46,285 | $0 |
| Gain (Loss) on Sales of Investments | $(1,450,458) | $104,835 |

**Net Income**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Income</strong></td>
<td>$(2,257,276)</td>
</tr>
</tbody>
</table>

**Facts**

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2009</th>
<th>December 31, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>$189,667,096</td>
<td>$167,796,827</td>
</tr>
<tr>
<td>Loans</td>
<td>$92,650,196</td>
<td>$87,564,745</td>
</tr>
<tr>
<td>Less Allowance for Loan Loss</td>
<td>$786,336</td>
<td>$611,398</td>
</tr>
<tr>
<td><strong>Net Loans</strong></td>
<td>$91,863,860</td>
<td>$86,953,347</td>
</tr>
<tr>
<td>Total Shares</td>
<td>$169,731,126</td>
<td>$147,511,253</td>
</tr>
<tr>
<td>Total Reserves &amp; Undivided Earnings</td>
<td>$15,609,812</td>
<td>$17,455,912</td>
</tr>
</tbody>
</table>

Visa Portfolio Loan Growth

Real Estate Loan Growth
2009 | Weathering the storm

“We weathering the storm”, the theme for our 2009 Annual Meeting, aptly describes this past year. The economy, with its continued recession, downward pressure on home values and historically low rates, kept many consumers hunkered down.

Like the many financial institutions, the turmoil in the banking industry touched credit unions as well. We, too, realized a loss in 2009. The distinction between the banking industry and credit unions, however, is that federally insured credit unions paid their fair share to “right the ship” without a federal bailout!

Ledge Light Federal Credit Union is already well into a long-term plan to replenish capital to its original levels and look to 2010 as the first step in this process. Despite a difficult year, the organization remains “well capitalized”, exceeding federal regulator’s (the National Credit Union Administration) requirements.

With that said, let’s look at how member-owners demonstrated their continued commitment and trust in the organization. Assets increased from $167,797,000 in 2008 to $189,667,000 in 2009, a 13.0% increase; net loans rose 5.65% ending the year at $91,864,000 while deposits grew to $169,731,000, up a robust 15.0%. With this continued level of commitment, the institution will meet its short and long term goals ahead of schedule.

We appreciate the confidence you have placed in us and remain committed to enhancing our financial relationship.

Respectfully submitted,

Rick Teixeira
Treasurer of The Board

FROM THE SUPERVISORY COMMITTEE

The primary role of the Supervisory Committee at Ledge Light Federal Credit Union is to insure compliance with established policies and to ascertain that the year-end financial statements accurately represent the Credit Union with no material exceptions.

An external audit was conducted this year by the Certified Public Accounting firm of Whittlesey & Hadley, P.C. The examination of Ledge Light Federal Credit Union’s financial statements and practices, along with internal audits conducted by Compliance, show that your credit union is sound, both financially and administratively.

We have hired the firm of Orth, Chakler, Murnane and Company, CPAs to act as our outside auditors going forward. As part of auditing best practices it is common for the Supervisory Committee to change outside auditors from time to time.

In addition, we have retained the services of David Root Assoc. for internal audit work.

Respectfully submitted,

Susan Keach
Chairman, Supervisory Committee
Executive Staff
Bruce J. Fafard, President/CEO
David Sacco, CFO
Cheryl Dunaj, VP Retail Services
Cathy Bates, VP Administration

Board of Directors
Adam A. Smogowicz, Chairman
Gloria Gaito, Vice Chairman
Rick Teixeira, Treasurer
Gloria P. Wilson, Secretary
Glenn Wilcox, Director
Steve Pias, Director
Jeffery Sims, Director
Jennifer Gilletti, Director

Supervisory Committee
Susan Keach, Chairman
John Podurgial, Committee Member
Steve Pias, Committee Member

Staff
Sue Carling, Employee Development Manager
Irvine Hagewood, Manager of Collections
Darrell Lapham, IT Manager
Chris Maynard, Finance Manager
Etta Gay Nelson, Lending Manager
Paul Pescatello, Service Center Manager
Kathy Smogowicz, Manager, Administration Support Services
Wendy Staskivitch, Manager of Operations
Tina Waterman, Indirect Lending Manager

Fred Jackson • Libby Koretski • Lester Jordan • Cynthia LaFlamme • Mary Jane Leverone • Chrystal Lurette • Michelle McDonough • Juan C. Mendez • Jose Ortega
Karen Rugh • Faith Silva • Meredith Stone
Wendy Wade

Contributions

Local Charities
Donated over $3,715 to local charities:
• March of Dimes
• American Heart Association
• United Way
• Ledyard High School football
• Casual Friday Jeans

Scholarships
• Awarded two high school seniors with $500
• Donated $100 for Michael Teague scholarship

Can Food Drive
Partnered with Eastern Chapter of The Credit Union League of Connecticut and donated 4 cases of non-perishable foods to local soup kitchen

Awards

Marketing Excellence Award
1st place award that exemplifies excellence in marketing

CUNA Diamond Award
Award of Merit for Diamond in the Rough
Corporate Office and Service Centers

CORPORATE OFFICE
60 Colver Avenue • Groton, CT 06340
877-860-MYCU • Fax: 860-445-9658

Lobby & Drive-up:
Monday – Thursday: 8:30 AM – 4:30 PM
Friday: 8:30 AM – 6:00 PM
Saturday: 9:00 AM – 1:00 PM

PGRD — GROTON
Amenities Corridor Building 220
445 Eastern Point Road • Groton, CT 06340
860-441-0906 • Fax: 860-405-2185
Lobby: 8:00 AM – 4:30 PM

PGRD — NEW LONDON
1st Floor A/B Connector
50 Pequot Avenue • New London, CT 06320
860-441-0907 • Fax: 860-447-0199
Lobby: 8:00 AM – 4:30 PM

ATM Locations

CORPORATE OFFICE
60 Colver Avenue • Groton, CT 06340
24-Hour Drive-up

PGRD — GROTON
445 Eastern Point Road • Groton, CT 06340
Building 200 Cafeteria
Building 220 Connector
Building 274 DSTC

PGRD — NEW LONDON
50 Pequot Avenue • New London, CT 06320
1st Floor, A/B Connector
Employee Entrance 2nd Floor, Tower A

SURCHARGE FREE ATM NETWORKS
• MoneyPass®
• SUM℠
• CO-OP Network®

Member Services

Deposit Accounts
• Checking
• Clubs
• IRAs (Traditional, Roth, Education)
• Savings
• Share Certificates
• Step-up Certificate
• Tiered Money Market

Loans
• Auto Loans
• Boat or RV Loans
• ERAs (Overdraft Protection)
• First Mortgages (Short-Term, Fixed and ARM)
• Fixed Rate Home Equity Loan
• Home Equity Lines of Credit
• Motorcycle Loans
• Reverse Mortgages
• Savings & Certificate Loans
• Signature Loans
• Student Loans
• Visa® Credit Card

e-Services
• FREE Home Banking
• FREE E-statements
• FREE Bill Pay
• Mobile Banking (www.LL4mobi.org)
• Wealth Management

Other Services
• Financial Planning
• Foreign Currency
• Free Notary
• Signature Guarantee
• Visa® Check Card

Strategic Partners
• Money Concepts
• M&M Group Benefits, Inc.
• Legal Service Plans, Inc.
• Generation Mortgage

For over 40 years, Ledge Light Federal Credit Union has been serving Pfizer Employees, their families and their strategic partners as well as 12 census tracts covering parts of Groton and New London, CT. Ledge Light Federal Credit Union is the 11th largest credit union in the state of Connecticut, with over $189 million in assets and serves more than 11,000 members nationwide. Members of Ledge Light Federal Credit Union can feel confident that they have made an exceptional choice in using the Credit Union as their financial institution to fulfill all their financial needs.