

**ANNUAL REPORT OF
SUPERVISORY COMMITTEE
December 31, 2009**

The Supervisory Committee continued its practice of weekly meetings throughout the past calendar year in order to perform its oversight responsibilities of the credit union operations.

The Committee decided to retain Root & Associates, CPAs, to perform the annual audit of the credit union for the calendar year ending December 31, 2009. The detailed financial information in the audit is available upon request at the Credit Union.

Our credit union has controlled expenses and we are well below our peers relative to expenses. Our Net Income for 2009 was \$2,263,883. Our net income from operations in 2008 was a little over ½ million. In 2009, the net income from operations was almost 2 million, an increase of 1 ½ million over the previous year. The excellent team of employees and managers at Greenwood Credit Union are doing a great job of keeping us fiscally sound.

Greenwood Credit Union, with its strong capital, and a capital ratio of 8.32%, continues to be a very conservative and financially sound Credit Union. Our capital ratio is in excess of the 7% which is necessary to be deemed "well capitalized" under NCUA rules and regulations. With the excellent management and hard work of our Credit Union employees, Greenwood Credit Union's assets have grown to over \$269 million which is \$14 million more than the previous year. We have strengthened our diversified loan portfolio. With the great performance of our indirect auto portfolio and with increases in the other loan portfolios our operating income has allowed us to pay higher rates on our deposit products than almost all other banks and Credit Unions in RI. We are surpassing all other RI financial institutions relative to interest rates on deposits.

The Committee also supported the annual on-site visits of the National Credit Union Administration (NCUA), our insurer, and the Rhode Island State Banking Examiner.

The internal audit functions were performed in accordance with a formalized annual plan. The Committee along with the external auditors executed the annual audit plan.

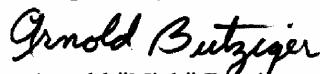
The Committee has kept the board of directors and credit union management apprised of all the ongoing examinations and any related recommendations we may have.

New loans were continuously reviewed, through a random sampling basis to assure that only valid loans were recorded in the credit union records and that they were documented in accordance with credit union policy.

Periodic reviews, through a random sampling of the open accounts and the accounts that have been closed, were made to ensure that the GCU database for those accounts was accurate.

The cooperation of the credit union's members, directors, officers and employees is appreciated. Your Supervisory Committee shall continue to perform its oversight responsibilities in the best interest of all the credit union members.

Respectfully Submitted,



Arnold "Nick" Butziger
Chairperson