STATEMENT OF FINANCIAL CONDITION

December 31, 2009

ASSETS		
Cash and cash equivalents	9	20,234,846
Investments:		
Available-for-sale		248,056,543
Held-to-maturity		39,721,561
Other		126,542,297
Federal Home Loan Bank (FHLB) stock		8,193,800
Loans receivable	860,803,583	
Allowance for loan losses	(15,949,865)	
Loans receivable, net of allow for loan losses	wance	844,853,718
Accrued interest receivable:		
Loans		3,474,670
Investments		1,929,490
Premises and equipment, ne	t	53,813,225
NCUSIF deposit		11,146,437
Other assets		5,788,306
Total assets	5	1,363,754,893
LIABILITIES AND MEMBERS' EC	QUITY	
LIABILITIES		
Members' share and savings accounts		\$1,109,778,270
Borrowed funds		116,213,492
Accounts payable and other liabilities		11,506,256
Total liabilities		1,237,498,018
MEMBERS' EQUITY		
Regular reserve		10,923,475
Undivided earnings		115,074,597
Accumulated other comprisincome (loss)	rehensive	258,803
Total members' equity		126,256,875
Total liabilities and members' equity	9	\$ 1,363,754,893 ====

STATEMENT OF INCOME

Year ending December 31, 2009

INTEREST INCOME	
Loans receivable	\$54,574,662
Investments	14,731,627
Total interest income	69,306,289
INTEREST EXPENSE	
Members' share and savings accounts	20,130,660
Borrowed funds	5,369,305
Total interest expense	25,499,965
Net interest income	43,806,324
PROVISION FOR LOAN LOSSES	13,702,372
Net interest income after provision for loan losses	30,103,952
NON-INTEREST INCOME	
Other fees and charges	8,358,642
Overdraft/NSF Fees	8,207,290
NCUSIF recapitalization	6,501,977
Interchange	6,405,923
Brokerage income	1,903,784
Document preparation fee	1,573,640
Overdraft transfer fee	1,212,595
Total non-interest income	34,163,851
NON-INTEREST EXPENSE	
Compensation and employee benefits	25,525,126
Other operating expenses	9,033,542
Occupancy expense	4,533,734
Impairment of corporate credit union capital	al 3,279,426
Professional and outside services	3,247,123
Educational and promotion expense	3,017,202
Loan servicing expense	1,368,231
Loss on disposition of premises and equipment, net	88,186
Total non-interest expense	50,092,570
NET INCOME	\$14,175,233

2009 BOARD OF DIRECTORS

Don Williams, Chairman Gary Ruhle, Vice Chairman Sandy Prince, Treasurer Richard Isinghood, Secretary Chester A. Brojek, Director Tim Harris, Director Dan Pierce, Director Nick Sudzina, Director Harry Williams, Director

SUPERVISORY C O M M I T T E E

Darrell Jensen, Chairman Kevin Crouse, Member Kenneth Heubusch, Member Shirley Pellarchy, Member Shari Szabo, Member

SENIOR MANAGEMENT T E A M

D. Kevin Jones, Chief Executive Officer
Gayle O'Brien, Chief Administrative Officer
Sandra M. Gibson, Chief Real Estate Officer
Dennis Pershing, Chief Lending Officer
S. Steve Moseley, Chief Financial Officer
Kathy S. Britt, Chief Operations Officer
David S. Hand, Chief of Business Services
Nancy Irvin, Senior Vice President II, Human Resources
Donna S. Brown, Senior Vice President II, Risk Management
Michael Cheeseman, Senior Vice President II, Finance
Mark A. Gray, Senior Vice President II, MIS
Jill H. Davis, Senior Vice President II, Marketing
Zelda Abram, Senior Vice President II, Mortgage



Federally insured by NCUA.





PRESIDENT'S L E T T E R

To the owners:

2009 was a very difficult year for the banking and credit union industries. Many banks and credit unions experienced significant investment and/or loan losses and were forced to cut back on lending and customer service, reduce deposit rates and expand fees. Even large banks with long histories were forced to take government bail-outs and some cases, such as Colonial Bank, failed. And worse, the bad news for financial institutions is probably not over, as most will experience a second wave of

losses as people who lost their jobs due to the recession become insolvent and unable to pay their bills.

Fortunately, MIDFLORIDA did NOT purchase any investments tied to the secondary mortgage market NOR did we loosen our lending standards. Therefore, we escaped any ill-effect from the first wave of the mortgage crisis. MIDFLORIDA's results in 2009 were excellent! Net income for the year was over \$14 million, over a 1 percent return on assets. Loan delinquency ended the year at less than 1 percent. Our allowance for loan losses is flush

at \$16 million, nearly double total delinquent loans. Total reserves exceed \$142 million on \$1.364 billion in assets, with over a dime in reserves for every dollar of assets.

Due to our strong financial condition, while others were pulling back on lending and decreasing services, we did the opposite. We stepped up our lending efforts to ensure our members had access to available credit for autos, homes, businesses and emergencies. We didn't lower our credit standards, but we did loosen collateral requirements to help members. This also helped our many auto dealerships and building trades contractors who almost overnight lost their access to credit for their customers.

We did slow down our branch expansion plans in 2009, as we waited to see the direction of the economy. But we didn't stop our growth plans and expect to open three new branches in 2010, starting with our Crystal Lake office in Lakeland in early 2010 and branches in Arcadia and Okeechobee later in the year. We delayed our new Avon Park office until 2011.

Even more significantly we charged forward with plans to convert to a state-chartered credit union and completed that conversion in September of 2009. As a state-chartered credit union we have the regulatory power to expand beyond our current five-county service area and have already set sights on Eastern Hillsborough and Pasco counties. In the last few months of 2009 we contracted with 22 new auto dealerships in these areas. We plan to begin branch expansion in the near future.

However, not everything is good. We expect the current recession and high unemployment to drag on throughout 2010. This will result in lower loan demand and higher delinquency. We are also worried about new government regulations and assessments that are out of our control yet may have a significant negative impact on our 2010 net income.

In summary, in 1934 credit unions were created by the U.S. Congress because banks quit lending to individuals. Then and now credit unions have a mission to ensure credit is available to their members in need. MIDFLORIDA has not only survived the storm but we have also fulfilled our mission to be a safe harbor for our members loans and deposits.

Respectfully Submitted,

D. Kevin Jones, President/CEC

CHAIRMAN'S R E P O R T



Don Williams

Chairman, Board of Directors

In 2009, in a media hailstorm, all financial institutions became lumped into one category – those that took government bail out money, retracted all lending to Main Street America and were on the verge of failure. As a result, bank customers began

shopping for a bank not based on where they might get the highest rate or even if the bank branch was near their home. Priorities shifted. MIDFLORIDA did not.

This climate of uncertainty provided the Board and Senior Management an opportunity to communicate its unique strength and financial security, even offering balance sheets to reinforce the message and offer a sense of comfort. Additionally, when lending became strangled by fear, our response was simple. Remind people that "We're Lending Money." As banks closed their doors to downsize or were forced to close by regulators, MIDFLORIDA moved forward with its state charter conversion and continued toward expansion in contiguous markets. The truth is, that while it seemed like the entire banking industry was turned upside down and exposed, MIDFLORIDA remained the same as it has always been: safe, secure, conservatively managed and focused on the customer.

We didn't come through 2009 unscathed. We continue to feel the effects of economic situation with increased loan losses and payment of hefty assessments to shore up the corporate credit unions. Given the tenuous environment of 2009 and the prospect of what's to come in 2010, I am pleased with the way the Board and Management have worked to maintain our conservative, controlled growth. Never before have I, as Chairman of the Board or as a member of MIDFLORIDA, been so proud to say MIDFLORIDA is "what a bank should be" and not what a bank is or has become.

FINANCIAL N O T E S

MIDFLORIDA continued to add to our strong capital base during 2009. Total capital reserves, including the allowance for loan losses, ended 2009 at \$142 million or 10.4 percent of total assets. As many financial institutions continued to lose money during 2009, MIDFLORIDA remained very profitable. Return on assets for the year was 1.07 percent resulting from over \$14 million in net income for 2009, compared to the credit union peer average of just 0.29 percent.







