



SINCE 1954



PRESIDENT'S LETTER

Dear Owners,

We can sum up 2019 in one word: growth. There were tremendous increases in loan volume, earnings, branch locations, and members. In fact, for the first time ever, MIDFLORIDA is among the top 50 credit unions in the nation, with the 49th largest amount in total assets. We also grew geographically with the addition of branches in St. Lucie West and Carrollwood, giving members in the booming Treasure Coast and Tampa markets even more ways to bank with MIDFLORIDA.

While these are major achievements in their own right, the two bank mergers and acquisitions we completed in November were undoubtedly the year's greatest accomplishments. Acquiring Community Bank and Trust of Florida has allowed us to expand our branch network into Ocala, The Villages, and Gainesville, while merging with First American Bank has seen the addition of branches in Cape Coral and Naples. These mergers have expanded our footprint across the state, with branches now spanning north and south from Gainesville to Naples, and east and west from Port St. Lucie to Clearwater. Banking with MIDFLORIDA has simply never been more convenient.

In conjunction with these accomplishments, other business areas also saw incredible growth. By the end of 2019, our Dealer Direct network had expanded to include more than 450 total car dealerships, giving members the ability to finance their vehicles at the dealerships of their choice. We also expanded our mortgage product offerings to help members achieve the American Dream, whether they are purchasing their first home or their forever home. We expanded our commercial products, allowing members to transform their ideas into full-fledged businesses or expand their existing companies into larger, even more successful enterprises.

No matter how much MIDFLORIDA grows and expands its footprint throughout the state, our primary focus and number-one goal remains the same—providing excellent service to our members. Thank you for your loyalty and for trusting MIDFLORIDA with all of your financial needs.

Sincerely,
Steve Moseley

CEO'S REPORT



D. Kevin Jones

After a year of tremendous growth in 2019 that saw our service area expand to include more than half of Florida's counties, we are laser focused on filling holes in our branch network to better serve members in growing markets. Construction has already begun on a new location in Stuart, adding another convenient option for members in the Treasure Coast. Ground will soon break on an additional location in Tampa near the University of South Florida campus, and we are exploring opportunities for growth in Ft. Myers, Kissimmee, Ocoee, and Bradenton. As well as increasing our presence in these markets, we will continue making improvements to legacy branches with major renovation or relocation projects planned for the Haines City, Lake Wales, and Lake Placid branches.

No matter where or how we are growing, we are doing so with one thing in mind—the members. Our goal has always been—and will remain—providing fast, friendly, and convenient service.

CHAIRMAN'S REPORT



Darrell Jensen

I would like to thank all of our loyal members who continue to trust MIDFLORIDA as their primary financial institution. 2019 proved to be another great year for the credit union as we expanded our geographic area to include Cape Coral and Naples to the south and Ocala, The Villages, and Gainesville to the north, giving members even greater access to our services. Most importantly, we maintained our focus on providing the excellent quality of service that you have come to expect. We anticipate another great year in 2020 and are looking forward to helping members achieve their personal financial success.

CFO'S REPORT

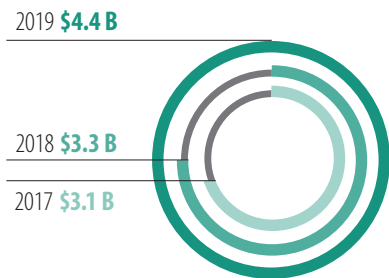


Zelda V. Abram

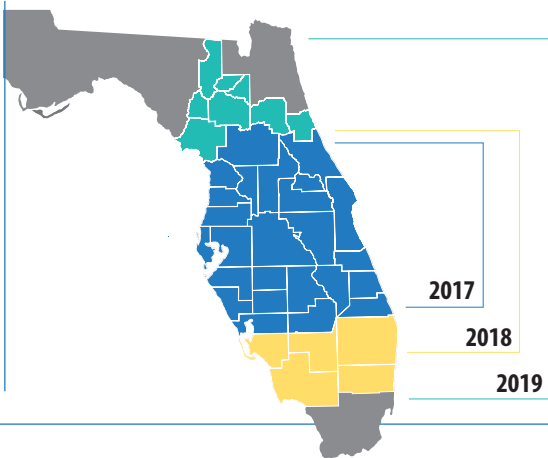
While expanding our service area and branch network in 2019, MIDFLORIDA not only maintained solid financial success, but even saw significant increases. Total loans increased over \$662 million, ending the year with a \$3.2 billion loan portfolio. The solid growth is attributed to the expansion of our commercial loan portfolio, which had record volume growth, giving us the 10th largest portfolio in the nation and making us the number-one commercial lender in Florida. We also saw more than a 23% increase in mortgage loan volume, giving us the third largest portfolio for first and second mortgages in Florida. We ended the year with over \$4.4 billion in total assets, record net income of over \$62 million, a 1.62% return on assets, and net worth of 9.5% of total assets.

2019 BY THE NUMBERS

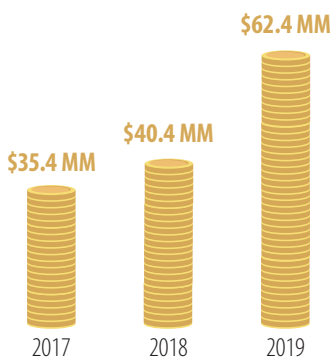
Total Assets



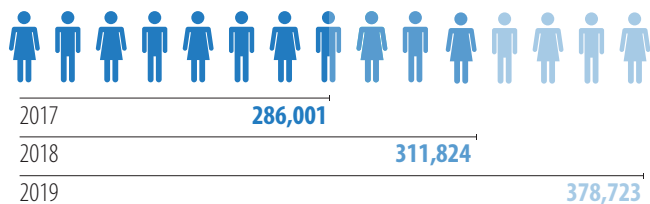
Service Area



Net Income



Members Served



Branch Network



ASSETS	December 31,	
	2019	2018
Cash and cash equivalents	\$ 194,312,072	208,992,686
Investments:		
Equity securities	4,888,279	—
Available-for-sale	520,886,284	270,697,837
Held-to-maturity	112,415	136,700
Other	68,087,998	47,918,338
Federal Home Loan Bank (FHLB) stock	5,535,200	8,434,400
Loans held-for-sale	43,443,331	2,878,742
Loans receivable, net of allowance for loan losses	3,172,522,789	2,507,718,067
Accrued interest receivable	11,718,658	7,891,008
Premises and equipment, net	171,700,515	122,914,669
National Credit Union Share Insurance Fund deposit	36,653,257	26,319,546
Assets acquired in liquidation	2,649,914	2,707,935
Goodwill	93,358,487	8,064,747
Other assets	96,140,799	71,447,821
Total Assets	<u>\$4,422,009,998</u>	<u>\$3,286,122,496</u>

LIABILITIES AND MEMBERS' EQUITY

Liabilities		
Share and savings accounts	3,917,442,551	2,788,477,037
Borrowed funds	50,274,328	133,702,886
Accrued expenses and other liabilities	57,378,040	35,679,641
Total Liabilities	<u>\$4,025,094,919</u>	<u>2,957,859,564</u>

Commitments and contingent liabilities

Members' Equity		
Regular reserve	10,923,475	10,923,475
Undivided earnings	393,368,992	330,987,739
Accumulated other comprehensive loss	(17,054,802)	(23,325,696)
Equity acquired in acquisitions	9,670,664	9,670,664
Non-Controlling interests	6,750	6,750
Total Members' Equity	<u>396,915,079</u>	<u>328,262,932</u>
Total Liabilities and Members' Equity	<u>\$4,422,009,998</u>	<u>3,286,122,496</u>

CONSOLIDATED STATEMENTS OF INCOME

INTEREST INCOME	December 31,	
	2019	2018
Interest on loans receivable	\$121,116,878	101,234,464
Interest on investments	15,219,730	11,465,211
Interest income	<u>136,336,608</u>	<u>112,699,675</u>
INTEREST EXPENSE		
Dividends on share and savings accounts	24,292,059	15,322,252
Interest on borrowed funds	3,668,020	3,707,922
Interest expense	<u>27,960,079</u>	<u>19,030,174</u>
NET INTEREST INCOME	108,376,529	93,669,501
PROVISION FOR LOAN LOSSES	<u>8,500,000</u>	<u>17,546,353</u>
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	<u>99,876,529</u>	<u>76,123,148</u>
NON-INTEREST INCOME		
Service charges	39,646,966	36,014,193
Card income	27,794,567	24,513,043
Other non-interest income	9,801,576	9,893,081
Gains on sale of mortgage loans, net	4,064,407	3,183,835
Income from sale of Visa stock	3,277,000	—
Equity securities profits, net	587,401	—
Gain on liquidation of CU24 CUSO	388,605	—
Gain on disposition of premises and equipment, net	357,717	—
Other components of net periodic pension cost	223,070	1,327,459
Gain on disposition of assets acquired in liquidation, net	<u>12,461</u>	<u>46,967</u>
Non-interest income	<u>86,153,770</u>	<u>74,978,578</u>
	186,030,299	151,101,726
NON-INTEREST EXPENSE		
Compensation and employee benefits	71,453,465	65,190,500
Operations	17,180,409	14,755,474
Occupancy	9,807,379	8,457,939
Professional and outside services	9,317,018	7,438,308
Education and promotion	8,546,338	7,709,732
Loan servicing	6,970,915	6,955,673
Other gains and losses, net	231,827	—
Loss on sale of investments, net	—	57,288
Loss on disposition of premises and equipment, net	<u>—</u>	<u>65,338</u>
Non-Interest expense	<u>123,507,351</u>	<u>110,630,252</u>
Consolidated Net Income	<u>62,522,948</u>	<u>40,471,474</u>
Less: Net income attributed to non-controlling interests	<u>(187,366)</u>	<u>(95,861)</u>
NET INCOME	<u>\$ 62,335,582</u>	<u>\$ 40,375,613</u>

SENIOR MANAGEMENT TEAM

Kevin Jones, Chief Executive Officer
Steve Moseley, President
Dennis Pershing, Executive Vice President,
Consumer Lending
David S. Hand, Executive Vice President,
Commercial Lending
Zelda V. Abram, Chief Financial Officer
Christopher David, Chief Operations Officer
Nancy Irvin, Chief Human Resources Officer
Jill Davis, Chief Marketing Officer
Richard Haggins, Chief of Risk Management
Michael Cheeseman, Chief Analytics Officer
Sterling Grubbs, Chief of Mortgage Services
Donna Brown, Chief of Audit & Compliance
Vanessa Hernandez, Chief of Retail Delivery

2019 BOARD OF DIRECTORS

Darrell Jensen, Chairman
Harry Williams, Vice-Chairman
Shirley Pellarchy, Treasurer
Kenneth Heubusch, Secretary
Chester Brojek, Director
Nick Sudzina, Director
John Upperco, Director
Christopher Geiger, Director
Dan Pierce, Director
Donald Williams, Director
Gary Ruhle, Director

SUPERVISORY COMMITTEE

Darrell Jensen, Chairman
Connie Milito
Terrence McGriff
Kathryn Ashmore
Derrick Hall



St. Lucie West branch