STATEMENTS OF FINANCIAL CONDITION

December 31, 2007

ASSETS	
Cash and cash equivalents	$ 25,641,674
Investments:	
Available-for-sale	255,779,039
Held-to-maturity	22,992,016
Other	79,562,063
Federal Home Loan Bank (FHLB) stock	4,932,900
Loans held for sale	1,211,500
Loans receivable, net of allowance for loan losses	747,742,906
Accrued interest receivable:	
Loans	3,111,067
Investments	3,827,257
Premises and equipment, net	44,950,283
NCUSIF deposit	9,303,272
Other assets	2,620,716
Total assets	$ 1,201,674,693
LIABILITIES AND MEMBERS' EQUITY	
LIABILITIES	
Members' share and savings accounts	$ 1,012,071,729
Borrowed funds	66,765,172
Accounts payable and other liabilities	13,867,025
Total liabilities	1,092,703,926
Commitments and contingent liabilities	
MEMBERS' EQUITY	
Regular reserve	10,923,475
Undivided earnings	97,866,265
Accumulated other comprehensive income	181,027
Total members' equity	108,970,767
Total liabilities and members' equity	$ 1,201,674,693

STATEMENTS OF INCOME

Year ending December 31, 2007

INTEREST INCOME	
Loans receivable	$ 48,147,089
Investments	17,985,805
Total interest income	66,132,894
INTEREST EXPENSE	
Members' share and savings accounts	33,040,849
Borrowed funds	2,741,107
Total interest expense	35,781,956
Net interest income	30,350,938
PROVISION FOR LOAN LOSSES	3,129,093
Net interest income after provision for loan losses	27,221,845
NON-INTEREST INCOME	
Overdraft/NSF Fees	8,584,701
Other fees and charges	6,432,608
Interchange income	5,218,633
Document preparation fee	1,233,862
Overdraft transfer fee	1,143,486
Gains on sale of investments, net	418,159
Total non-interest income	23,031,449
NON-INTEREST EXPENSE	
Compensation and employee benefits	20,679,546
Other operating expenses	6,627,224
Occupancy expense	3,455,289
Professional and outside services	2,787,343
Educational and promotion expense	2,398,296
Loan servicing expense	904,151
Loss on disposition of premises and equipment, net	24,526
Total non-interest expense	36,876,375
NET INCOME	$ 13,376,919

2007 BOARD OF DIRECTORS

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

SUPERVISORY COMMITTEE

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

SENIOR MANAGEMENT TEAM

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, Human Resources
Donna S. Brown, Senior Vice President, Risk Management
Michael Cheeseman, Senior Vice President, Metrics
Mark A. Gray, Senior Vice President, MIS
Jill H. Davis, Senior Vice President, Marketing
Zelda Abram, Senior Vice President, Accounting
Richard Haggins, Senior Vice President, Collections
Cameron Brock, Senior Vice President, Business Services

MIDFLORIDA
What A Bank Should Be

Your savings federally insured to at least $100,000 and backed by the full faith and credit of the United States Government
NCUA
National Credit Union Administration, a U.S. Government Agency

Proud to be part of

MIDFLORIDA

Lake Placid

North Lakeland

Annual Report 2007

PRESIDENT'S LETTER

To the owners:

2007 was another record setting year for MIDFLORIDA. During the year we reached one billon dollars in deposits, exceeded one hundred million dollars in member net worth and entered the ranks of the top 100 credit unions in the country in total asset size, with assets exceeding $1.2 billion.

We also completed our tenth merger, bringing in Imperial Polk Credit Union and their 3,972 members; opened our twentieth local branch, the North Lakeland office at Duff Road and Highway 98 North; and exceeded 125,000 local customers, with nearly 80,000 checking account relationships.

Even though many Florida credit unions and banks experienced low income and high delinquency during 2007, MIDFLORIDA continued to have strong results with Return on Assets (assets divided by income) of nearly 1.2% and loan delinquencies (delinquent loans divided by total net loans) of only .15%. Your credit union is on sound financial footing and prepared to continue to offer the highest levels of convenience, price and service.

2008 is shaping up to be an evolutionary year for MIDFLORIDA. We have acquired property in Lake Placid, Highlands City and Arcadia. Our new Lake Placid branch opened in early 2008. We plan to open Highlands City in the first half of 2008 and begin construction on the Arcadia branch toward the end of the year. Also, we will be finishing construction on the downtown Lakeland drive-through in early 2008.

During 2008, we will be embarking on an ambitious plan to greatly expand our mortgage services. We will be introducing the new "MIDFLORIDA Real Estate Experts" sub-brand that will feature new regional mortgage origination offices. MIDFLORIDA Real Estate Experts will offer a complete "listing-to-closing" service with the ability to list/sell your home and provide mortgage, insurance and title services all under one roof.

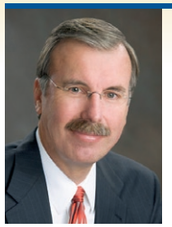
However, 2008 may also prove to be a challenging year for the banking industry and your credit union. The sub-prime mortgage debacle has had little direct impact on MIDFLORIDA, but the possible recession that is being predicted by many economists might. We are currently gearing up for the possibility of recession by reducing operating expenses, slowing expansion and keeping a close eye on interest margins and loan delinquencies.

Most of MIDFLORIDA's board and senior managers have over twenty years of banking experience. Over those years we have witnessed several economic contractions and, as they say, there is no substitute for experience. We will overcome the challenges of 2008, and MIDFLORIDA will continue to deliver the superior service, price and convenience our owners have come to expect.

Respectfully Submitted

D. Kevin Jones, President/CEO

CHAIRMAN'S REPORT



Tim Harris
Chairman, Board of Directors

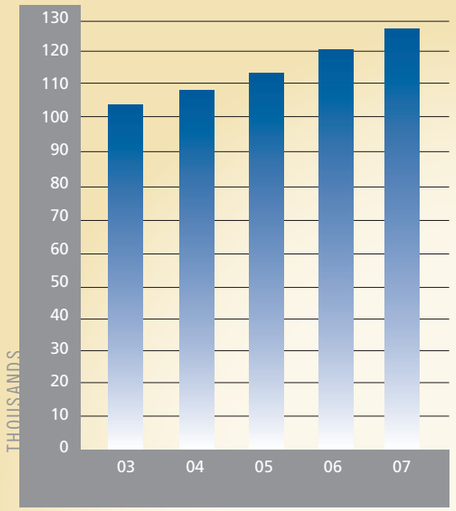
In 1997, my chairman's report referenced an event that represented a powerful turning point in MIDFLORIDA's history – the change of our charter and, subsequently, the change of our name to MIDFLORIDA Federal Credit Union.

When we set out to make these changes, we couldn't predict future success; the Board of Directors and Senior Management could only evaluate certain factors – market conditions, area competition, credit union goals and what was best for our members – and with measured risk, decide to move forward. Subsequently, we see that these changes enabled us to expand our service area to include Hardee, Okeechobee and DeSoto counties and welcome in more new customers to double our membership in just ten years. With the expanded service area and record membership growth, our branch network grew to 20 branches and the credit union's assets, capital and loans more than quadrupled during this same time period. As we close out 2007 and look back on not only this past year's accomplishments but also the remarkable achievements of the past decade, we are proud of the success we've experienced.

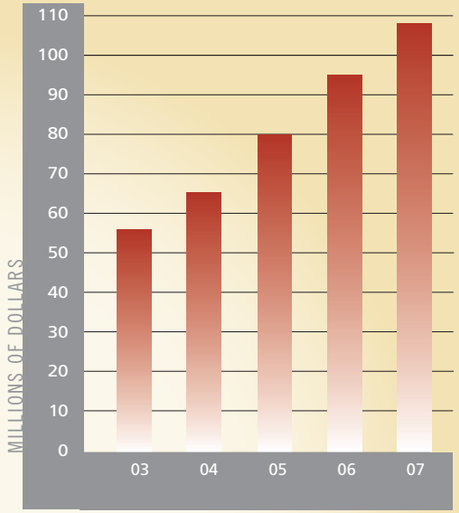
Looking forward we see that the current financial climate may create its own series of changes and challenges for the credit union and its membership. While change like this is rarely welcomed, know that your Board of Directors and Senior Management will face these issues with the same careful consideration as we always have and realize that our commitment still resides with you, our members.

YEAR TWO THOUSAND SEVEN

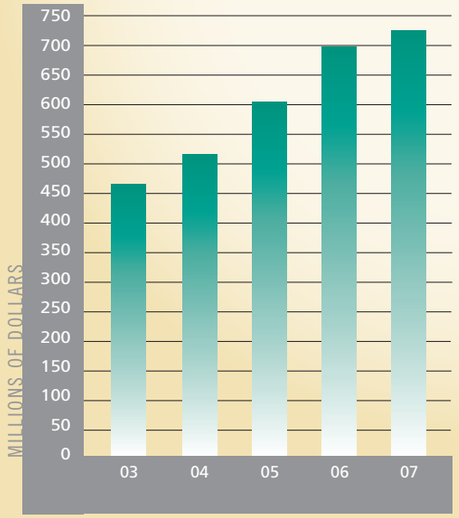
Total deposits crossed the $1 billion mark during 2007, pushing total assets to just over $1.2 billion at year end. Net income for the year was $13.4 million representing a seven percent increase over the prior year. Net worth ended the year at $109.8 million, surpassing 2006 by almost $15 million. Total loans increased by over $50 million to end 2007 at $748 million.



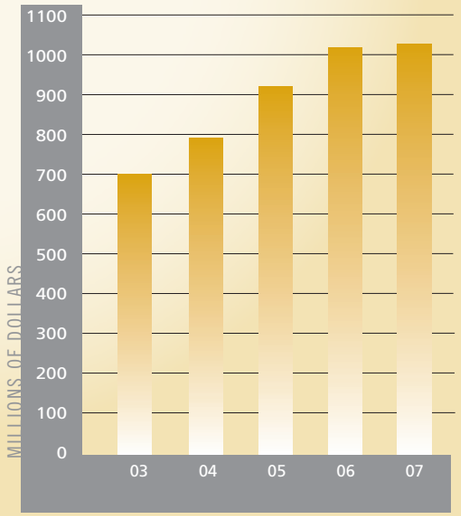
NUMBER OF MEMBERS



TOTAL CAPITAL



TOTAL LOANS



TOTAL ASSETS