MISSOURI CORPORATE CREDIT UNION

ANNUAL REPORT
2010

MISSION STATEMENT

The mission of Missouri Corporate Credit Union is to help our members succeed.

MCCU 2010 ANNUAL REPORT

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CHAIRMAN'S REPORT

In my report to you last year, I likened our situation to that of a child on a long road trip who keeps asking, "Are we there yet?" The answer this year is, "Not quite."

As Jerry Reed sang in the 1977 movie *Smokey and the Bandit*, "We've got a long way to go and a short time to get there." By October 20, 2011 we have to have an "Interim Leverage Ratio" of 4.00%, a Tier 1 risk-based capital ratio of 4.00%, a total risk-based capital ratio of 8.00% and a Net Economic Value (NEV) ratio of 2.00%. Our success in meeting these goals rests with you, our memeber credit unions, and your willingness to recapitalize your corporate.

I have more good news for you. We asked credit unions to convert $23 million in Membership Shares to Nonperpetual Capital Accounts (NCAs) and we asked for an additional $6 million in NCAs. According to the Non-Binding Letters of Intent received as of writing this report, credit unions indicated they will convert $16.0 million in Membership Shares to NCAs and credit unions indicated they will provide an additional $7.2 million in NCAs, $1.7 million of those dollars coming from five Associate Members who intend to convert to Regular Membership. That is a tremendous show of support for Missouri Corporate Credit Union!

In order to minimize the need for additional capital we began to shrink the balance sheet in May 2010 and it worked! MCCU's total capital ratio at the end of May 2010 was 2.78% and had risen by 0.99% at the end of December 2010 to 3.77%. We intend to keep the balance sheet near $500 million for the foreseeable future.

So why are we asking for additional capital? There are two reasons; to meet future capital requirements and to allow for growth. Starting October 20, 2013, we cannot count NCAs in the "Interim Leverage Ratio" and we must have at least 45 basis points in Retained Earnings. Since we can't count NCAs after year three, we must convert a portion of NCAs to Perpetual Contributed Capital (PCC) which does count in the calculation.

During 2010 and early 2011 we conducted several Town Hall meetings in Missouri, Illinois and Oklahoma. I attended most of those meetings and I was often asked, "Will Missouri Corporate make it?" The answer is, "That depends on you." This is a cooperative system and we're all in this together. If enough credit unions convert Membership Shares to NCAs and if enough credit unions use the products and services we offer such that net income rises and if enough credit unions convert NCAs to PCC at some point in the future, then we will make it.

Missouri Corporate was chartered in December 1976. At that time, credit unions were at the mercy of banks to provide their borrowing and correspondent needs. Enough credit unions decided they wanted their own system that they capitalized Missouri Corporate. Until last year, Missouri Corporate flourished and credit unions enjoyed thousands (millions?) of dollars in benefits from interest paid on investments, low interest charged on loans and low fees for correspondent services.

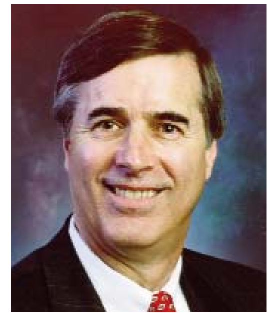
Now we're asking for your help again to share the load and maintain the institution you created. Credit unions have said to me, "It's different now than in the past. We have more options now." That's true. But the last time I looked, banks are still trying to put credit unions out of business so why move your account to a bank and provide them additional dollars to use against your credit union? The Fed is an option, but you don't own the Fed like you do Missouri Corporate. Will the Fed be responsive to your needs? What if they aren't? Going to another corporate is an option, but they likely will want capital now or later.

With your help Missouri Corporate can not only survive, but thrive. As I said earlier, "It's up to you."

Respectfully submitted,

Chris McCreary
Chairman, Board of Directors

PRESIDENT'S REPORT



If memory serves me correctly (and it rarely does!), the first hint of bad news we received from U.S. Central occurred in August 2007. So, we've been dealing with the corporate crisis for almost four years now. Who would have ever imagined that U.S. Central would go away? Who would ever have thought the three largest corporates would be taken into conservatorship? And in a related issue, who would have thought the Fed Funds rate would stay between 0.0% and 0.25% for over two years? But that's where we are today.

As the crisis unfolded and corporates lost their capital deposits in U.S. Central, it became evident that we were going to have to take some dramatic action at Missouri Corporate in order to survive. In May 2010 we intentionally shrunk the balance sheet by not paying dividends on Membership Shares and the Overnight Account. Balances declined dramatically and we ended 2010 at $501 million in assets. Our total capital ratio climbed to 3.77% at the end of 2010 compared to 2.78% in May 2010. By the time you read this letter, we should be above the minimum capital requirement of 4.00% required by the new regulation.

Since the start of 2008, we have conducted 18 Town Hall meetings, 17 chapter meetings and I've met individually or with groups of credit union management or boards on 68 separate occasions. That does not include the 23 letters sent to credit unions describing the latest twists and turns we've encountered as we managed our way through this crisis. During all this I've not sugar-coated the message. I've described events as I knew them to be and tried to provide you with an accurate picture of Missouri Corporate's status and its effect on your credit union.

During the numerous meetings with credit unions we "test drove" several re-capitalization formulas. It became apparent we weren't going to please everybody. Some thought their re-capitalization amount was too high (funny — no one thought it was too low!). Some thought former PIC owners got a break non-PIC owners didn't get. Some thought big credit unions got a break at the expense of small credit unions. Some thought we didn't display enough confidence in Missouri Corporate's ability to succeed. Some thought Missouri Corporate was doomed from the start. Some didn't like anything we had to say.

So why are we fighting so hard to survive? Why go through the pain? Because I'm absolutely convinced no one can serve your needs like Missouri Corporate. At Missouri Corporate the settlement function, the overnight account and the line of credit are linked. If you don't have enough in the overnight account to cover settlement the computer automatically draws on the line of credit so the settlement files are not rejected. You don't have to do a thing.

That peace of mind was highlighted in focus groups we conducted as we began our quality journey several years ago. Several of the focus groups involved operations personnel at credit unions — the folks that use our services day in and day out. They said loud and clear they expect the following from Missouri Corporate:

Be Invisible — We don't even want to know you are there. We have too many other things to do, so be "invisible" to us so we don't have to take time to deal with you.

Make it Simple — A cousin to "invisibility." Keep the processes simple. We don't have time to conduct complicated tasks.

Be Competitive — You don't have to pay the highest rates or charge the lowest fees but you have to be competitive.

Be Sustainable — Don't offer me a product and then cancel it. Be there when I need you.

We worked diligently for years to meet those expectations. As a result, Missouri Corporate was awarded the Missouri Quality Award — a most prestigious honor. That's what you get for investing capital in Missouri Corporate — people who know you; people who pay attention to your needs and people who will do everything they can to fulfill our mission statement of "helping you succeed."

I don't think you're going to get that from the Fed. I don't think you're going to get that from a bank. You may get that from another corporate, but no one knows you like we do.

Will we make it? Like our Chairman says, "That depends on you."

Respectfully submitted,

Dennis J. DeGroodt

Dennis J. DeGroodt, CCUE, CUDE
President/CEO

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is responsible for ensuring that Missouri Corporate Credit Union's (MCCU) accounting controls and procedures are in compliance with accounting principles generally accepted in the United States of America, state/federal laws, National Credit Union Association's (NCUA) regulations and State of Missouri regulations, and the membership's bylaws.

Cummings, Ristau & Associates, P.C. performed the year-end audit of MCCU's financial statements as of December 31, 2010. In order to deliver the annual report in a manner which maximizes timeliness and best use of members' resources, the annual report may be retrieved directly from MCCU's web site at www.mocorpcu.coop. Please read and retain the report with your investment portfolio information for review during future audits or examinations.

The Supervisory Committee also retained the firm of Stone Carlie & Company, LLC to conduct four (4) internal audit reviews of MCCU. The internal audit reports were reviewed by the Supervisory Committee for completeness with regards to the Committee's risk approach to the overall internal audit plan. These internal audit reports and the results noted therein were reported to the Board of Directors with follow-up by management as needed.

As it is the desire of the Supervisory Committee and management to maintain an awareness of certain requirements under the Sarbanes-Oxley Act, the Supervisory Committee continues to use the matrix developed several years ago as a means to define its charter, procedures, performance measures and scheduling to assist in carrying out the Committee's responsibilities. Likewise, the Whistleblower Policy continues in effect and serves as a confidential means for employees, directors, officers and stakeholders of MCCU to report complaints regarding accounting, internal controls or auditing matters to the Chair of the Supervisory Committee.

In addition to the independent external annual audit and internal quarterly reviews, MCCU also receives an annual examination from the Missouri Division of Credit Unions in conjunction with the NCUA.

Respectfully submitted,

Steve Wansing, *Chairman*
Jeff Schroth
Linda Allen

CREDIT ANALYSIS COMMITTEE REPORT

The purpose of the Credit Analysis Committee is to ensure that lending is safe and sound and is operating within the policies and directives set forth by Missouri Corporate Credit Union's (MCCU) Board of Directors.

During 2010, the Credit Analysis Committee met six times and reviewed all members' lines of credit at least twice and included quarterly reviews of large credit union lines and those on the Monitor List. The Committee plans to conduct similar reviews in 2011.

MCCU started 2010 with $8.5 million in loans outstanding. During 2010, overnight borrowings varied from a low of $6,021 to a high of $39.9 million on March 16, 2010. Maintaining $5 million in term loans brought peak loans outstanding to $44.9 million in 2010, slightly less than the peak of $48.5 million which occurred in August 2005. MCCU closed 2010 with $6.2 million in total loans outstanding.

Several years ago, we established two rates for lines of credit, one for Regular members (those with Membership Shares on deposit) and one for Associate members (who do not have Membership Shares on deposit). The Regular member line of credit rate started the year at 0.80% and finished the year at 1.25%. The Associate member line of credit rate started at 1.00% and ended the year at 1.50%.

In order to better match liquidity needs and build retained earnings, MCCU began charging two basis points, annually, on members' line of credit amount at the end of January 2011. In anticipation of the new fee, members reduced their lines of credit from a high of $861 million in November 2010 to $353 million in January 2011.

Respectfully submitted,

Timothy Stephens, *Chairman*
Rick Nichols
John Servos

MANAGEMENT'S DISCUSSION

The landscape of the corporate credit union network has changed forever and will continue to evolve as corporate credit unions and their member credit unions determine the best course of action with regards to complying with the newly issued corporate Reg. 704. The final corporate rule was published in the Federal Register on October 20, 2010 and includes establishment of new capital structures, including risk-based capital requirements.

The National Credit Union Administration (NCUA) Board also finalized its plan to deal with the conserved corporate credit unions' "legacy assets", those investments in residential mortgage-backed securities which had suffered significant other-than-temporary-impairment (OTTI) charges. MCCU never had and currently does not hold any such "legacy asset" investments. MCCU's Credit Worthiness Report has been expanded to include a detailed listing of investments including CUSIP numbers. As noted in prior year's annual report, with the revisions to the capital depletion by U.S. Central throughout 2009, a recap of MCCU's Credit Worthiness Report was included to assist the readers of MCCU's financial statements. Likewise, the recap of the 2010 Credit Worthiness Reports have been included at the end of this year's annual report.

In conjunction with the final corporate rule, the NCUA established bridge corporate credit unions to conduct essential activities of the conserved corporate credit unions to facilitate payment and settlement services. U.S. Central was converted to U.S. Central Bridge Corporate Federal Credit Union (U.S. Central Bridge) on October 1, 2010. MCCU, like other corporate credit unions, is evaluating its options for payment and settlement services currently provided by U.S. Central Bridge.

RESULTS OF OPERATIONS

MCCU recorded net income of $798,612 or 12 basis points for the year ended December 31, 2010, compared to net loss for the prior year of $33.8 million. The prior year's net loss was the result of U.S. Central depletion of member corporate credit unions' capital accounts to cover OTTI charges on its investment portfolio which exceeded reserves and undivided earnings. At the end of 2008, U.S. Central's paid-in capital (PIC) was comprised of two classes, PIC I and PIC II. The 2008 depletion included 100% of member corporate credit unions' PIC II accounts and 34.78% of PIC I accounts as of December 31, 2008. MCCU's prorated depletion resulted in a complete write-off of $6,410,816 in PIC II and $3,111,031 in PIC I as of December 31, 2008. MCCU's net income for 2008 without the U.S. Central depletion would have been $1,383,414 or 10 basis points which is comparable to previous years' earnings.

For the year ended December 31, 2009, MCCU wrote-off the remaining PIC I of $5,831,969 and 100% of its $28,596,065 in Membership Capital Accounts at U.S. Central. MCCU's net income after PIC dividends for 2009 without the U.S. Central depletion would have been $616,488 or 6 basis points, which is comparable to previous years' earnings when taken in consideration the prolonged low interest rate environment and the need to maintain liquidity within the corporate network.

As noted in prior year's annual report, this period of prolonged low interest rate environment and recognition of depletion of U.S. Central capital over 2009 and 2008, continued to put pressure on net interest margins. As a result, MCCU's matched book of business yielded a decline in net interest income year over year of $375,492 or 17%. Noninterest income, excluding the reimbursement of NCUSIF charges in 2009, increased over last year by $426,537 or 42.6%, while noninterest expense, excluding the depletion of capital in U.S. Central, decreased over last year by $251,106 or 9.3%. With the complete depletion of MCCU's capital in U.S. Central, MCCU is not expected to absorb any further OTTI losses incurred by U.S. Central; however, MCCU's owners/members may be subject to losses arising from operations, should those occur.

ASSETS

A review of MCCU's financial performance over the past year reflects management's desire to shrink the balance sheet in order to position the organization to meet the new capital requirements under the final corporate regulations. In February 2010, total assets peaked at $899 million which was $191 million less than prior year's high mark in May 2009. Total assets hovered within a range of $623 to $501 million during the last six months of 2010.

The 12-month moving daily average net assets (MDANA), tracked seasonal changes toward the beginning of 2010, but then continued to decline over the year, commensurate with the shrinkage in total assets. MDANA at December 2010 of $642 million decreased by $311 million or 32.7% compared to December 2009. Year-end total assets decreased over last year by $396 million or 44.1%.

As noted in prior year's annual report, a consequence of the depletion of capital in U.S. Central over 2009 and 2008 was the complete write-off of MCCU's Reserves, Undivided Earnings, members' PIC and 9.86% of members' membership capital share deposits (MCSD) as of December 31, 2009. NCUA informed the corporate credit unions on April 29, 2009, that their respective capital ratios as of November 30, 2008 will be used for purposes such as computing member credit unions' lines of credit and determining earnings retention requirements. MCCU's capital ratios as of November 30, 2008 were as follows:

Retained Earnings Ratio	3.39%
Core Capital Ratio	4.45%
Total Capital Ratio	7.34%

Since the retained earnings ratio as of November 30, 2008 was above 2.00%, MCCU is not subject to the earnings retention requirement even after recording the U.S. Central capital depletion in 2009 and 2008. The November 30, 2008 capital ratios will sunset at the one-year anniversary of the final corporate regulation. MCCU's actual capital ratio and retained earnings ratio as of December 31, 2010, equaled 3.77% and 0.12%, respectively, compared with 2.51% and 0.00%, respectively, as of December 31, 2009.

MCCU's investment portfolio is matched to such a degree that fluctuations in interest rates have little effect on MCCU's net economic value (NEV). However, to the extent a good portion of MCCU's capital was depleted in prior years, MCCU's NEV ratio as of December 31, 2010, was 4.56% compared to the regulatory minimum of 2.00% and reflects an increase over last year's NEV ratio of 1.83%. Shocking the portfolio up 300 basis points (bps) generated a maximum projected decline of only –8.691%. The regulatory maximum decline is 15.00%. Because of this matched investment strategy, MCCU is positioned to meet the liquidity demands of our member credit unions.

The NEV ratio has also changed over the past year due to purchases of Agency securities with slightly longer maturities and increased mismatch on the number of days within the term book of business; both well inside the requirements of the final corporate regulation. Total investment in Agency securities as of December 31, 2010 was 17.4% and included no mortgage related securities. At December 31, 2010, debt securities with a carrying value of approximately $24,700,000 were pledged as collateral to the Federal Reserve Bank of St. Louis, in accordance with the daily settlement agreement therewith.

STRATEGIC COMPASS

The final corporate regulation establishes three standards that a corporate credit union must satisfy to meet its capital requirement — a leverage ratio of 4.0%, a tier 1 risk-based capital ratio of 4.0%, and a total risk-based capital ratio of 8.0%. The final corporate regulation phases in these requirements over time with milestones at the one-year, three-year, six-year and ten-year anniversary of the October 20, 2010 publication.

MCCU's Board of Directors, Asset-Liability Committee and senior management have developed a Strategic Plan which includes decrease in assets so as to minimize the amount of additional capital required by MCCU's membership to meet the new capital ratios. To accomplish that goal, interest on the Overnight Account and dividends on membership shares ceased in May 2010 and August 2009, respectively, and the plan is not to resume paying interest on the Overnight Account until actual results can support a reasonable rate of return to member credit unions balanced with MCCU's desire to build retained earnings. The plan calls for raising $6 million in new capital by July 1, 2011 and anticipates increased fees in an effort to meet the retained earnings requirement in the final corporate regulation of 45 basis points by October 20, 2013.

The plan also calls for the newly contributed capital as well as existing membership capital share deposits to be converted to nonperpetual capital accounts (NCA) in July 2011. The conversion of some portion of NCA to perpetual contributed capital (PCC) is not expected until late 2012 or early 2013. This conversion from NCA to PCC is necessary to meet the final corporate regulation's requirement of a 4.0% permanent leverage ratio. The recapitalization plan will help continue to ensure that the necessary infrastructure is in place for a sustainable corporate.

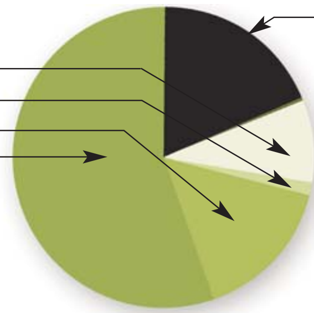
All corporate credit union strategic plans are due to the NCUA by March 31, 2011.

INVESTMENTS

2010

U.S. Central Bridge Corporate FCU

Daily and Overnight Shares	9.0%
Community Investment Fund	1.5%
Other Floating Rate Certificates	15.6%
Fixed Term Certificates	55.2%



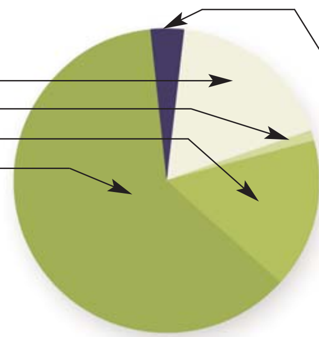
Other

Shares & Share Certificates of other financial institutions	1.3%
Agency Securities	17.4%
Asset Backed Securities	0.0%

2009

U.S. Central Corporate FCU

Daily and Overnight Shares	17.8%
Community Investment Fund	0.9%
Other Floating Rate Certificates	14.9%
Fixed Term Certificates	61.7%



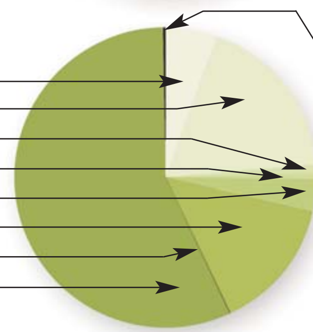
Other

Shares & Share Certificates of other financial institutions	0.4%
Agency Securities	4.3%
Asset Backed Securities	0.0%

2008

U.S. Central Corporate FCU

Daily and Overnight Shares	5.6%
Federal Funds Overnight	18.0%
Community Investment Fund	1.3%
Member Paid-In Capital	0.7%
Membership Capital Shares	3.5%
Other Floating Rate Certificates	14.3%
Indexed Amortizing Certificates	0.1%
Fixed Term Certificates	56.3%



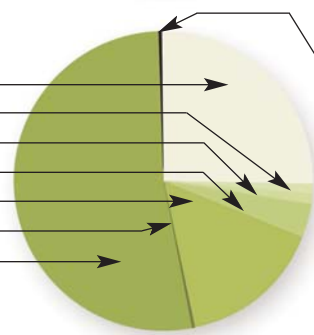
Other

Shares & Share Certificates of other financial institutions	0.2%
Agency Securities	0.0%
Asset Backed Securities	0.0%

2007

U.S. Central Corporate FCU

Daily and Overnight Shares	25.3%
Community Investment Fund	1.3%
Member Paid-In Capital	1.1%
Membership Capital Shares	3.5%
Other Floating Rate Certificates	15.7%
Indexed Amortizing Certificates	0.2%
Fixed Term Certificates	52.6%



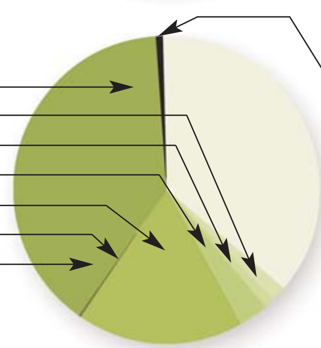
Other

Shares & Share Certificates of other financial institutions	0.1%
Agency Securities	0.2%
Asset Backed Securities	0.0%

2006

U.S. Central Corporate FCU

Daily and Overnight Shares	36.3%
Community Investment Fund	1.5%
Member Paid-In Capital	1.3%
Membership Capital Shares	2.9%
Other Floating Rate Certificates	17.6%
Indexed Amortizing Certificates	0.3%
Fixed Term Certificates	39.2%



Other

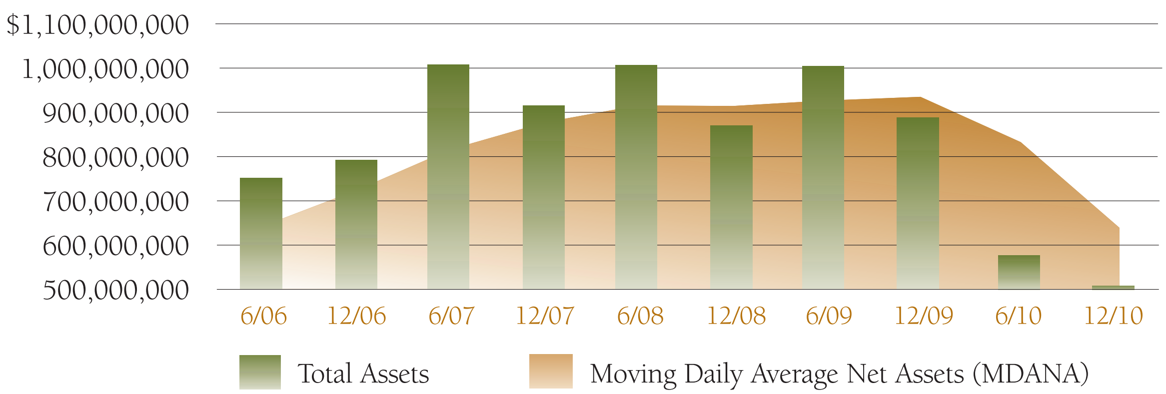
Shares & Share Certificates of other financial institutions	0.1%
Agency Securities	0.8%
Asset Backed Securities	0.0%

STATISTICAL TRENDS

NET ECONOMIC VALUE (as of December 31, 2010)

Interest Rate Scenario	NEV $	% Change From Base	NEV Ratio
+300 bps	22,086,945	-8.691	4.211
Base	24,189,164	0.000	4.557
-300 bps	24,189,164	0.000	4.557

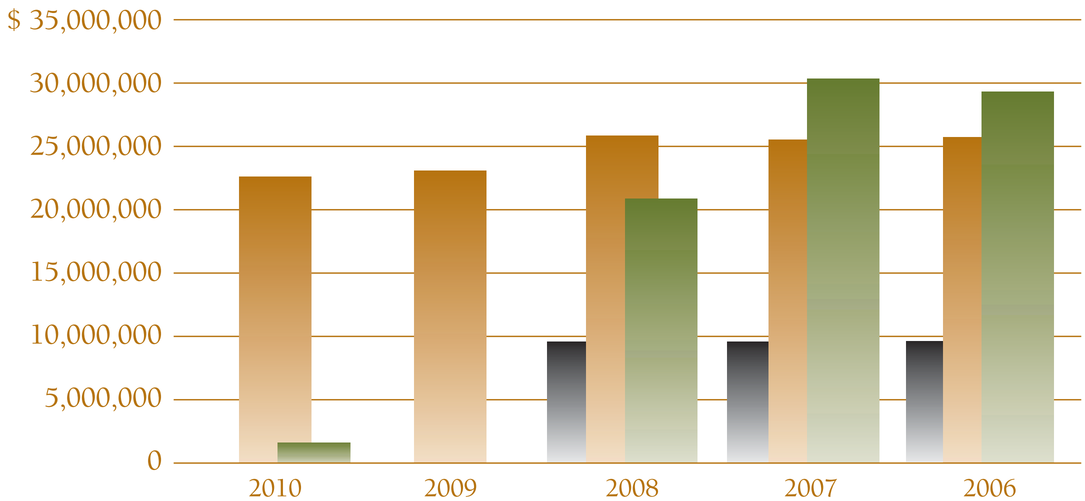
TOTAL ASSET & MDANA*



*MDANA: 12-month moving daily average net assets – used in many ratio computations

STATISTICAL TRENDS

COMPONENTS OF CAPITAL



	2010	2009	2008	2007	2006
* Retained Earnings Ratio	0.12%	0.00%	2.35%	3.40%	4.09%
** Core Capital Ratio	0.12%	0.00%	3.41%	4.50%	5.44%
Capital Ratio	3.77%	2.51%	6.30%	7.47%	9.17%

Paid-in-Capital Membership Capital Share Deposits Reserves and Undivided Earnings

* Reserves and Undivided Earnings divided by MDANA.

** Reserves, Undivided Earnings, and PIC divided by MDANA.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Supervisory Committee
Missouri Corporate Credit Union
St. Louis, Missouri

We have audited the accompanying statements of financial condition of Missouri Corporate Credit Union (MCCU) as of December 31, 2010 and 2009, and the related statements of operations, comprehensive income (loss), cash flows, and changes in reserves, undivided earnings, and paid-in capital for the years then ended. These financial statements are the responsibility of MCCU's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Under accounting principles generally accepted in the United States of America, members' accounts are considered to be liabilities, similar to deposits at other financial institutions. As discussed in note 1 to the financial statements, MCCU considers members' accounts a part of members' equity, as defined in the Missouri Credit Union Act. If members' accounts had been presented as liabilities, members' equity would have decreased by $478,211,770 and $868,310,397 at December 31, 2010 and 2009, respectively. The presentation followed by MCCU has no effect on the total amount or classification of assets, or the determination of income, expenses, or net income.

In our opinion, except for the classification of members' accounts as described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of MCCU as of December 31, 2010 and 2009, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Cummings, Ristau & Associates, P.C.

February 21, 2011
St. Louis, Missouri

STATEMENTS OF FINANCIAL CONDITION

December 31, 2010 and 2009

	2010	2009
ASSETS		
Cash	$ 640,778	748,199
Cash – interest-earning	116,632,877	183,973,613
Uncollected cash items	21,134,110	26,308,933
Interest-earning deposits in financial institutions (note 2)	292,603,029	645,050,968
Investments in debt securities (note 3):		
Held-to-maturity (fair value of $3,593,596 at December 31, 2009)	—	3,600,000
Available-for-sale, at fair value	61,676,320	25,426,815
Loans receivable (note 4)	6,178,975	8,499,953
Accrued interest receivable	839,271	1,991,857
Other assets	1,309,015	955,367
	$501,014,375	$ 896,555,705
LIABILITIES AND MEMBERS' EQUITY		
Liabilities:		
Deposits in collection	$ 21,134,109	26,313,496
Accrued interest and dividends payable	856,952	1,773,734
Accrued expenses and other liabilities (note 10)	230,027	231,263
Total liabilities	22,221,088	28,318,493
Commitments and contingent liabilities (notes 8, 9 and 11)		
Members' equity (note 12):		
Members' accounts (note 6)	478,211,770	868,310,397
Appropriated regular reserve	—	—
Undivided earnings	798,612	—
Paid-in capital	—	—
Accumulated other comprehensive income – net unrealized losses on available-for-sale securities	(217,095)	(73,185)
Total members' equity	478,793,287	868,237,212
	$501,014,375	$ 896,555,705

See accompanying notes to financial statements.

STATEMENTS OF OPERATIONS

Years ended December 31, 2010 and 2009

	2010	2009
Interest and dividend income:		
Interest and dividends on interest-earning deposits in financial institutions (note 2)	$ 5,962,690	12,324,147
Interest on federal funds sold	—	132,137
Interest on held-to-maturity debt securities (note 3)	5,927	9,571
Interest on available-for-sale debt securities (note 3)	374,553	4,939
Interest on securities purchased under resale agreements	411,186	691,492
Interest on loans receivable (note 4)	195,306	442,315
Total interest and dividend income	6,949,662	13,604,601
Interest and dividend expense:		
Interest and dividends on members' accounts (note 6)	4,719,504	10,723,486
Interest on securities sold under repurchase agreements	410,722	691,492
Interest on borrowings from financial institutions (note 5)	5,959	654
Total interest expense	5,136,185	11,415,632
Net interest income	1,813,477	2,188,969
Noninterest income:		
NCUSIF stabilization recovery (note 1)	—	146,690
Other noninterest income	1,426,660	1,000,123
Total noninterest income	1,426,660	1,146,813
Noninterest expense:		
NCUSIF stabilization expense (note 1)	107,673	146,690
Salaries and employee benefits (note 7)	1,006,342	1,030,681
Correspondent services charges	261,614	291,510
Management fees	310,923	370,807
Professional and outside services	362,017	388,381
Office operating expenses (note 8)	291,842	322,670
Depletion of U.S. Central Corporate Federal Credit Union ownership interests (notes 1 and 2)	—	34,428,034
Other noninterest operating expenses	101,114	141,892
Total noninterest expense	2,441,525	37,120,665
Net income (loss)	$ 798,612	(33,784,883)

See accompanying notes to financial statements.

STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

Years ended December 31, 2010 and 2009

	2010	2009
Net income (loss)	$ 798,612	(33,784,883)
Other comprehensive loss – net unrealized losses on available-for-sale debt securities	(143,910)	(73,185)
Total comprehensive income (loss)	$ 654,702	(33,858,068)

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN RESERVES, UNDIVIDED EARNINGS, AND PAID-IN CAPITAL

Years ended December 31, 2010 and 2009

	Appropriated regular reserve	Undivided earnings	Paid-in capital	Accumulated other comprehensive income	Total
Balance at December 31, 2008	$ 16,234,081	5,269,922	9,674,700	—	31,178,703
Net loss	—	(33,784,883)	—	—	(33,784,883)
Transfer of reserves	(16,234,081)	16,234,081	—	—	—
Depletion of members' paid-in capital	—	9,674,700	(9,674,700)	—	—
Partial depletion of members' membership capital share deposits	—	2,632,843	—	—	2,632,843
Dividends paid on paid-in capital	—	(26,663)	—	—	(26,663)
Change in valuation of available-for-sale debt securities	—	—	—	(73,185)	(73,185)
Balance at December 31, 2009	—	—	—	(73,185)	(73,185)
Net income	—	798,612	—	—	798,612
Change in valuation of available-for-sale debt securities	—	—	—	(143,910)	(143,910)
Balance at December 31, 2010	$ —	798,612	—	(217,095)	581,517

See accompanying notes to financial statements.

STATEMENTS OF CASH FLOWS

Years ended December 31, 2010 and 2009

	2010	2009
Cash flows from operating activities:		
Net income (loss)	$ 798,612	(33,784,883)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Amortization and accretion, net	2,475	—
Depletion of U.S. Central Corporate FCU paid-in capital	—	5,831,969
Depletion of U.S. Central Corporate FCU membership capital	—	28,596,065
Decrease in accrued interest receivable	1,152,586	1,265,045
Decrease in accrued interest and dividends payable	(916,781)	(1,627,716)
Other operating activities, net	(354,885)	(308,828)
Net cash provided by (used in) operating activities	682,007	(28,348)
Cash flows from investing activities:		
Net (increase) decrease in interest-earning deposits with financial institutions	352,447,939	(7,244,747)
Proceeds from maturities of held-to-maturity debt securities	3,600,000	—
Proceeds from maturities of available-for-sale debt securities	49,600,000	—
Purchase of held-to-maturity debt securities	—	(3,600,000)
Purchase of available-for-sale debt securities	(85,995,890)	(25,500,000)
Net decrease in loans receivable	2,320,978	13,304,543
Net cash provided by (used in) investing activities	321,973,027	(23,040,204)
Cash flows from financing activities:		
Net increase (decrease) in members' accounts	(390,098,627)	57,972,909
Net decrease in deposits in collection	(5,179,387)	(1,966,973)
Dividends paid on paid-in capital	—	(26,663)
Net cash provided by (used in) financing activities	(395,278,014)	55,979,273
Net increase (decrease) in cash and cash equivalents	(72,622,980)	32,910,721
Cash and cash equivalents at beginning of year	211,030,745	178,120,024
Cash and cash equivalents at end of year	$ 138,407,765	211,030,745
Supplemental information — cash paid for interest and dividends	$ 6,052,966	13,043,348

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Missouri Corporate Credit Union (MCCU) serves as a financial intermediary for the credit unions which comprise its membership, and its activities are directed to the support of that interdependent group. MCCU's membership is comprised of credit unions located nationwide; however, the majority of non-Missouri credit unions are located in Illinois and Oklahoma. MCCU is subject to the regulations of certain federal and state agencies and undergoes periodic examinations by those regulatory agencies. MCCU's primary source of revenue is from loans made to members and the earnings from investments of excess funds received from its members.

Except for the classification of members' accounts as discussed below, the accounting and reporting policies of MCCU conform to U.S. generally accepted accounting principles within the credit union industry, particularly as they relate to financial intermediaries such as MCCU. In compiling the financial statements, management is required to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates which are particularly susceptible to change in a short period of time include the determination of the fair value of financial instruments, as disclosed in note 12 to these financial statements, and impairment of assets. Actual results could differ from those estimates.

Following is a description of the more significant of MCCU's accounting policies:

BASIS OF ACCOUNTING

MCCU uses the accrual basis of accounting, which includes in the total of net income all revenues earned and expenses incurred, regardless of when actual cash payments are received or paid. MCCU is also required to report comprehensive income, of which net income is a component. Comprehensive income is defined as the change in equity (net assets) of a business enterprise during a period from transactions and other events and circumstances from nonowner sources, including all changes in equity during a period, except those resulting from investments by, and distributions to, owners.

CASH AND CASH EQUIVALENTS

For purposes of reporting cash flows, cash and cash equivalents include cash in banks, uncollected cash items, and federal funds sold. Uncollected cash items represent deposits made by MCCU's members that have not cleared the Federal Reserve Bank or other applicable correspondent banks. Such amounts generally become available for investment or withdrawal by members within one to three days. Certain amounts maintained on deposit with various other financial institutions may exceed the maximum amount insured by the Federal Deposit Insurance Corporation or National Credit Union Administration (NCUA). Federal funds had been previously sold to U.S. Central Corporate Federal Credit Union (U.S. Central or U.S. Central Corporate FCU) and had a maturity of one day. The NCUA Board approved a temporary increase in the level of deposit insurance provided under the National Credit Union Share Insurance Fund (NCUSIF) to all funds on deposit at U.S. Central and corporate credit unions through December 31, 2012. The guarantee covers all shares and certificates with maturities of two years or less, but does not include paid-in capital and membership capital share accounts.

During the year ended December 31, 2009, federal funds maintained at U.S. Central earned a weighted average yield of 0.31% on an average balance of $42,889,374, with a maturity of one day. U.S. Central utilized the federal funds transactions to allow deposits held at the Federal Reserve Bank to be counted toward its reserve requirements therewith. U.S. Central discontinued its use of federal funds in March 2009.

INTEREST-EARNING DEPOSITS IN FINANCIAL INSTITUTIONS

MCCU's interest-earning deposits in financial institutions include share and certificate accounts from U.S. Central and deposit instruments in other financial institutions. MCCU also invests in certificates of deposit with other financial institutions. Such certificates generally have maturities of approximately two years.

INVESTMENTS IN DEBT SECURITIES

Debt securities that management has the ability and intent to hold to maturity are classified as held-to-maturity and carried at cost, adjusted for the amortization of premiums and accretion of discounts, over the lives of the respective securities, as an adjustment to yield using the interest method.

NOTES TO FINANCIAL STATEMENTS

All debt securities and any marketable equity securities are classified as available-for-sale and carried at fair value. Unrealized holding gains and losses on available-for-sale securities are recognized as a component of other comprehensive income within members' equity. For any sales of available-for-sale securities, the cost of securities sold is recognized using the specific identification method. MCCU does not maintain a trading portfolio.

Declines in the fair value of securities below their cost that are deemed to be other-than-temporary are reflected in operations as realized losses. In estimating other-than-temporary impairment losses, management systematically evaluates investment securities for other-than-temporary declines in fair value on a quarterly basis. The analysis requires management to consider various factors, which include (1) present value of the cash flows expected to be collected compared to the amortized cost of the security, (2) duration and magnitude of the decline in value, (3) financial condition of the issuer or issuers, (4) structure of the security, and (5) intent to sell the security or whether it is more likely than not that MCCU would be required to sell the security before its anticipated recovery in market value.

LOANS RECEIVABLE

Loans receivable are stated at the amount of unpaid principal balance. Interest on loans is recognized over the terms of the loans and is calculated using the simple-interest method on principal amounts outstanding. Based on the availability of collateral, analyses of the credit worthiness of member borrowers, and past loan performance, MCCU management does not consider an allowance for loan losses to be necessary. Loans are generally granted on a secured basis only. Additionally, various regulatory agencies, as an integral part of the examination process, periodically review MCCU's loan portfolio. Such agencies may require MCCU to provide an allowance for possible loan losses based on their judgments and interpretations about information available to them at the time of their examinations.

NATIONAL CREDIT UNION SHARE INSURANCE FUND DEPOSIT

MCCU is federally insured by the NCUSIF. MCCU's deposit in the NCUSIF, recorded in other assets in the statements of financial condition, is maintained in accordance with NCUA regulations, which require the maintenance of a deposit by each insured credit union in an amount equal to one percent of its insured shares. The deposit will be refunded to MCCU if its insurance coverage is terminated, it converts to insurance coverage from another source, or the operations of the fund are transferred from the NCUA Board of Directors. MCCU is required to pay an annual insurance premium equal to one-twelfth of one percent of its total insured shares, unless the payment is waived or reduced by the NCUA Board of Directors.

In a letter to federally insured credit unions issued on January 28, 2009, the NCUA stated that the corporate credit union system was facing unprecedented strains on its liquidity and capital due to credit market disruptions and the then current economic climate, and that given the importance of U.S. Central as a liquidity and payment systems provider to both corporate credit unions and, by extension, natural person credit unions, the NCUA was taking decisive action to stabilize U.S. Central's financial position and provide stability for the liquidity needs of the corporate system. U.S. Central has operated as the central credit union in which corporate credit unions are members. Under the corporate credit union structure, U.S. Central has acted as a liquidity facility and source of deposit investment alternatives for corporate credit unions.

U.S. Central and certain other corporate credit unions, but not MCCU, made investments in asset-backed securities that became impaired during 2008, resulting in significant other-than-temporary impairment (OTTI) charges that significantly depleted their capital levels, and effective March 20, 2009, in accordance with the Federal Credit Union Act, the NCUA Board placed U.S. Central into conservatorship and appointed itself as conservator.

In its January 28, 2009 letter, the NCUA announced two significant actions it was taking to address the status of the corporate credit union system, as follows: (a) the NCUA injected $1 billion in cash from the NCUSIF into U.S. Central in the form of a capital note. This capital note had no stated maturity, but could have been repaid by U.S. Central at any time after two years. In addition, the note had a variable dividend rate to be paid quarterly and had priority over any other capital accounts at U.S. Central, including membership capital share accounts and paid-in capital. The NCUA stated that while a capital infusion had cost implications for all credit unions, it was a lower cost alternative than liquidation and sale of the distressed securities held by U.S. Central in the present market; and (b) NCUA announced the Temporary Corporate Credit Union Share Guarantee Program (TCCUSGP) which provided a temporary guarantee by the NCUSIF of all member shares at corporate credit unions through February 28, 2009 and an extension of that guarantee through December 31, 2010 for corporate credit unions voluntarily participating in the TCCUSGP by February 29, 2009. The NCUA indicated that the expense of the actions would be passed on proportionately to all federally insured credit unions through the partial (assessed in March 2009 by NCUA to be 69%) write-off of such credit unions' existing NCUSIF deposits, as well as the assessment of an insurance premium sufficient to return the NCUSIF's equity to insured shares ratio to 1.30%.

NOTES TO FINANCIAL STATEMENTS

On April 21, 2009, the NCUA Board approved revisions to the TCCUSGP which extended the guarantee of member shares in corporate credit unions through September 30, 2011. The revision also provided an option to the NCUA Board to extend the guarantee on a quarterly basis. The guarantee covers all shares except for paid-in capital and membership capital share accounts. NCUA believed the guarantee would help provide stability to meet the liquidity needs of the corporate system and allow for the orderly pay-down of stressed securities and, in turn, reduce the overall resolution cost.

Pursuant to Congressional amendment of the Federal Credit Union Act that established the Temporary Corporate Credit Union Stabilization Fund (TCCUSF) (a separate fund under the control of the NCUA) in June 2009, the NCUA legally transferred the obligation to pay claims under the TCCUSGP to the TCCUSF. Since its initial establishment, the TCCUSGP has been extended several times and is now in effect through December 31, 2012. The maximum maturity for shares and certificates subject to the guarantee is two years.

In May 2009, the NCUA Board approved changes to the Temporary Corporate Credit Union Liquidity Guarantee Program (TCCULGP), which was originally approved by the NCUA Board in October 2008. The TCCULGP allowed certain corporate credit unions to issue NCUSIF-guaranteed debt. Following the revisions, the deadline for issuance of guaranteed debt was June 30, 2010, while the maximum maturity date was June 30, 2017. The TCCULGP receives fees in exchange for the guarantee, ranging from 10 basis points per annum for two-year debt to 35 basis points per annum for seven-year debt. Debt issuance under the TCCULGP is ultimately backed by the full faith and credit of the United States government. MCCU can have outstanding up to $100,000,000 of debt under the TCCULGP at any one time.

During 2009, U.S. Central recorded significant additional OTTI charges, which had a material, adverse effect on U.S. Central's financial condition, results of operations, and compliance with regulatory capital requirements in the periods in which they were recorded. These 2009 OTTI charges were the result of increases in the projected credit losses for securities in U.S. Central's investment securities portfolio, primarily nonagency retail mortgage-backed securities. As a result of net losses recorded by U.S. Central in 2009, significant additional depletion of paid-in capital and membership capital share accounts balances was required, as further described in note 2.

As a result of these actions by the NCUA, MCCU incurred additional expenses in 2009 of: (a) the write-off of approximately 69% of its NCUSIF deposit, or $146,690, recorded in the first quarter of 2009; (b) the pass-back and recapitalization of the NCUSIF of $146,690, recorded in the second quarter of 2009; and (c) the special assessment in September 2009 to recapitalize the NCUSIF fund, paid in mid-December 2009 for $68,378.

In 2010, the NCUA separated the insurance assessment into two distinct charges: one for the Corporate Stabilization Fund and one for the Share Insurance Fund. The Corporate Stabilization Fund assessment covers losses at corporate credit unions, while the Share Insurance Fund assessment covers losses at natural-person credit unions. The NCUA approved a Corporate Stabilization Fund assessment of 0.134% on credit unions' insured shares as of March 31, 2010 and a Share Insurance Fund assessment of 0.1242% on credit unions' insured shares as of June 30, 2010. As a result of these actions by the NCUA, MCCU incurred expenses in 2010 of $107,673.

On September 24, 2010, the NCUA Board took several actions to resolve ongoing problems with a handful of corporate credit unions and to reform the corporate system under a stronger regulatory framework. One of those actions was to finalize major revisions to Part 704, the NCUA's rule governing corporate credit unions. In its *Letter To Credit Unions* No. 10-CU-20, the NCUA highlighted some of the reforms in the final rule which includes establishment of new capital structures, including risk-based capital requirements, and prompt corrective action (PCA) requirements for corporate credit unions so that the NCUA can deal with undercapitalized corporate credit unions in a more timely manner.

As part of its rulemaking process, the NCUA stated that the final corporate credit union rule on its own could not help those corporate credit unions holding investments that had suffered significant OTTI and that carry the probability of future credit losses which will exceed those corporate credit unions' existing capital. The affected corporate credit unions, which include U.S. Central, Western Corporate Federal Credit Union, Members United Corporate Federal Credit Union, Southwest Corporate Federal Credit Union, and Constitution Corporate Federal Credit Union, have been placed in federal conservatorship. The NCUA released its plan to deal with those corporate credit unions' "legacy assets" in its *Letter To Credit Unions* No. 10-CU-19.

The legacy assets held by the conserved corporate credit unions have been segregated from their respective balance sheets, securitized and sold through a program managed by NCUA and Barclays Capital Inc. referred to as NCUA Guaranteed Notes. The NCUA also established bridge corporate credit unions to conduct essential activities of the conserved corporate credit unions to facilitate payment and settlement services. On October 1, 2010, U.S. Central was converted to U.S. Central Bridge Corporate Federal Credit Union (U.S. Central Bridge).

The NCUA stated that bridge corporate credit unions have a limited life of 24 months so as to allow for uninterrupted services during this transition period while member credit unions determine from whom to obtain future services. Under the final corporate rule, the three-tiered system within the credit union movement (with U.S. Central, corporate credit unions, and natural person credit unions) will no longer exist. Therefore, U.S. Central Bridge and the concept of a wholesale corporate credit union will no longer exist by September 30, 2012. No assurance can be provided that the period of existence for any bridge corporate credit union may be shorter than 24 months.

MCCU, as well as the other remaining corporate credit unions, is evaluating its options for payment and settlement services currently provided by U.S. Central Bridge. All corporate credit union strategic plans are due to the NCUA by March 31, 2011.

MEMBERS' ACCOUNTS

Members' accounts are classified as equity to denote the ownership interest of the members. This classification conforms to the statutory definition in the Missouri Credit Union Act and is consistent with past longstanding practice. Accounting principles generally accepted in the United States of America require that members' accounts be classified as liabilities, similar to deposits at other financial institutions.

Members' accounts are subordinated to all other liabilities of MCCU upon liquidation. Interest and dividends on members' accounts are based on available earnings at the end of an interest period and are not guaranteed by MCCU. Interest rates on members' accounts are set by MCCU's Board of Directors, based on an evaluation of current and future market conditions. Members' accounts, excluding membership capital share accounts, are insured by the NCUSIF up to a maximum of $250,000 for each member. As indicated above, the NCUA approved revisions to the TCCUSGP which guarantees member shares in corporate credit unions in excess of the $250,000 level through December 31, 2012, except for membership capital share accounts and paid-in capital.

DEPOSITS IN COLLECTION

Deposits in collection represent amounts due to MCCU's members when funds become available. These amounts are noninterest-bearing.

RESERVES, UNDIVIDED EARNINGS AND PAID-IN CAPITAL

MCCU is required by regulation to maintain a statutory reserve. This reserve, which represents a regulatory restriction of undivided earnings, is not available for the payment of interest or dividends.

Paid-in capital subscriptions were voluntary in nature and were originally converted dollar-for-dollar from members' existing membership capital share accounts. Paid-in capital had no stated maturity and qualified as equity under U.S. generally accepted accounting principles. Under NCUA Regulation 704.2, paid-in capital was available to cover losses that exceeded retained earnings. NCUA also required capital accounts to be depleted to cover losses that exceeded retained earnings, first by paid-in capital accounts, and then by membership capital share accounts. Due to the significant losses relating to investment losses at U.S. Central incurred in 2008 and 2009, MCCU fully depleted its reserves, undivided earnings and paid-in capital, and approximately 9.9% of membership capital share deposits as of December 31, 2009.

INCOME TAXES

MCCU is exempt by statute from federal and state income taxes.

SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

MCCU maintained a security repurchase program under which member credit unions would sell securities to MCCU under agreements to repurchase the securities at later dates. The member credit unions participating in this program entered into such agreements with MCCU to obtain funds for reinvestment in MCCU's share certificates. Accordingly, MCCU recorded as an asset the securities purchased under agreements to resell, and reinvested the proceeds in share certificates with U.S. Central. To finance the transaction, MCCU entered into an offsetting agreement with U.S. Central to purchase securities under an agreement to resell the securities on the same date that the obligations to the member credit unions were due. Such repurchase agreements were considered financing arrangements and, accordingly, the obligation to repurchase assets sold was reflected as a liability in the statements of financial condition. Resell agreement assets were collateralized by debt securities which were under the control of the selling member credit union, and repurchase agreement obligations were collateralized by debt securities which were under the control of MCCU. Interest charges incurred on repurchase transactions between member credit unions and MCCU, and between MCCU and U.S. Central, were generally the same. MCCU earned a spread between the rate of interest paid on member share certificates and the amount of interest earned on investments in share certificates with U.S. Central. At December 31, 2010 and 2009, and for any month-end during the years then ended, MCCU had no balances outstanding under this program. During 2010 and 2009, the maximum amount outstanding at any time during the year was $360,921,052 and $313,800,890, respectively, the average balances outstanding for 2010 and 2009 were $150,370,142 and $211,975,360, respectively, and the average rates paid on such repurchase agreement obligations for 2010 and 2009 were 0.27% and 0.33%, respectively. This program was discontinued on October 1, 2010, when U.S. Central ceased its participation in the program.

FINANCIAL INSTRUMENTS

For purposes of information included in note 11 regarding disclosures about financial instruments, financial instruments are defined as cash, evidence of an ownership interest in an entity, or a contract that both: (a) imposes on one entity a contractual obligation to deliver cash or another financial instrument to a second entity or to exchange other financial instruments on potentially unfavorable terms with the second entity, and (b) conveys to that second entity a contractual right to receive cash or another financial instrument from the first entity or to exchange other financial instruments on potentially favorable terms with the first entity.

FAIR VALUE MEASUREMENTS

MCCU uses fair value measurements to determine fair value disclosures. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, MCCU uses various methods including market, income, and cost approaches. Based on these approaches, MCCU often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. MCCU utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, MCCU is required to provide the following information according to the fair value hierarchy. Financial assets and liabilities carried and/or reported at fair value will be classified and disclosed in one of the following three categories:

- **Level 1 –** Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.
- **Level 2 –** Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third-party pricing services for identical or similar assets or liabilities.
- **Level 3 –** Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or value assigned to such assets or liabilities.

The only assets or liabilities recorded at fair value on a recurring basis are MCCU's investments in available-for-sale debt securities. MCCU's available-for-sale debt securities are measured at fair value using Level 2 valuation inputs. For these debt securities, the market valuation utilizes several sources which include observable inputs rather than "significant unobservable inputs" and, therefore, fall into the Level 2 category.

SUBSEQUENT EVENTS

MCCU has considered all events occurring subsequent to December 31, 2010 for possible disclosure through February 21, 2011, the date these financial statements were available for issuance.

NOTE 2 — INTEREST-EARNING DEPOSITS IN FINANCIAL INSTITUTIONS

MCCU's interest-earning deposits in financial institutions consist of balances maintained with U.S. Central and other financial institutions. Such interest-earning deposits are summarized as follows at December 31, 2010 and 2009:

	2010	2009
U.S. Central Corporate Federal Credit Union:		
Daily and overnight shares	$ **31,717,029**	120,291,145
Fixed term certificates	**195,585,000**	415,654,823
Other floating rate certificates	**55,320,000**	100,320,000
Membership capital share accounts	**—**	—
Member paid-in capital	**—**	—
Community Investment Fund	**5,203,000**	6,338,000
	287,825,029	642,603,968
Share and share certificates of other financial institutions	**4,778,000**	2,447,000
	$ **292,603,029**	645,050,968

The amounts maintained at U.S. Central at December 31, 2010 and 2009 were fully guaranteed under the TCCUSGP. MCCU had been required to maintain a capital share balance on deposit with U.S. Central in accordance with the terms of its agreement therewith. This membership capital share account was subordinate to other member shares, certificates and liabilities and was withdrawable only after giving U.S. Central three years written notice.

During the years ended December 31, 2010 and 2009, interest-earning deposits in financial institutions accounts earned a weighted average yield of 0.75% and 1.44%, respectively. At December 31, 2010 and 2009, the weighted average maturity of MCCU's interest-earning deposits in financial institutions was 5.8 and 11.1 months, respectively. The membership capital share accounts and paid-in capital with U.S. Central that MCCU had maintained therewith had no stated maturity.

U.S. Central's paid-in capital was comprised of two classes, PIC I and PIC II. Both classes had no stated maturity and qualified as equity to U.S. Central under generally accepted accounting principles. PIC I was subordinate to all other shares, except PIC II, in the event of liquidation of U.S. Central. In December 2008, member corporate credit unions (including MCCU) converted a portion of their membership capital share accounts to PIC II. PIC II was subordinate to all other shares of U.S. Central, and was first to absorb losses in excess of retained earnings.

Under the definitions of membership capital and paid-in capital in Part 704.2 of the Rules and Regulations of the NCUA (Part 704.2), capital was available to cover losses that exceeded retained earnings. In May 2009, the NCUA published a *Letter to Credit Unions* (09-CU-10), reinforcing the regulatory requirement in Part 704.2 that paid-in capital and membership capital share accounts were available to cover losses that exceed retained earnings and stated that when there was an accumulated deficit (retained earnings deficit) at a corporate credit union, paid-in capital and membership capital share accounts had to be depleted to the extent necessary to eliminate the accumulated deficit. As of December 31, 2008, U.S. Central had an accumulated deficit that was greater than the combined total of PIC II, PIC I, and membership capital share accounts; however, the NCUA did not require U.S. Central to fully deplete all paid-in capital and membership capital share accounts as of December 31, 2008 for the reasons discussed in the following paragraph.

In April 2009, with announced changes by the Financial Accounting Standards Board regarding requirements for OTTI recognition, U.S. Central was able to reclassify noncredit losses included in previous OTTI charges from accumulated deficit to accumulated other comprehensive income on January 1, 2009 and in turn, the NCUA allowed U.S. Central to treat the reclassification as if it occurred one day earlier as of December 31, 2008. As a result, U.S. Central depleted 100% of PIC II and 34.78% of PIC I as of December 31, 2008. This equated to MCCU recognizing the depletion of $6,410,816 in PIC II and $3,111,031 in PIC I as of December 31, 2008. Further OTTI charges in 2009 at U.S. Central resulted in additional depletion of the remainder of PIC I and $28,596,065 of MCCU's membership capital share deposits through December 31, 2009, which was recorded as an additional write-down in 2009 on MCCU's statement of operations.

NOTES TO FINANCIAL STATEMENTS

NOTE 3 — INVESTMENTS IN DEBT SECURITIES

The amortized cost, gross unrealized gains, gross unrealized losses, and estimated fair value of MCCU's available-for-sale debt securities at December 31, 2010 and 2009, which were entirely comprised of U.S. government agency securities, were as follows:

	2010	2009
Amortized cost	**$ 61,893,415**	25,500,000
Gross unrealized gains	**27,417**	—
Gross unrealized losses	**(244,512)**	(73,185)
Estimated fair value	**$ 61,676,320**	25,426,815

The weighted average interest rate earned on MCCU's available-for-sale debt securities was 0.19% and 0.25% for the years ended December 31, 2010 and 2009, respectively, and had a weighted average life of 3.3 and 1.5 years, respectively.

The amortized cost and estimated fair values of debt securities classified as available-for-sale at December 31, 2010, by contractual maturity, are shown below. Expected maturities may differ from contractual maturities because certain issuers have the right to call or prepay obligations with or without prepayment penalties.

	Amortized cost	Estimated fair value
Due one year or less	$ 7,000,149	7,009,583
Due one year through five years	54,893,266	54,666,737
	$ 61,893,415	61,676,320

The amortized cost, gross unrealized losses, and estimated fair value of MCCU's held-to-maturity debt securities at December 31, 2009, which were entirely comprised of U.S. government agency securities, were as follows:

Amortized cost	$ 3,600,000
Gross unrealized losses	(6,404)
Estimated fair value	$ 3,593,596

The weighted average interest rate earned on MCCU's held-to-maturity debt securities was 0.92% and 1.15% for the years ended December 31, 2010 and 2009, respectively. All such investments matured or were called in 2010.

At December 31, 2010 and 2009, MCCU had obligations of U.S. government agencies and corporations with a fair value of $41,950,120 and $29,020,411, respectively, and net unrealized losses of $244,512 and $79,589, respectively, all of which had been in an unrealized loss position for less than twelve months. The obligations of U.S. government agencies and corporations are issued from and guaranteed by the Federal Farm Credit Bank and Federal Home Loan Bank. The unrealized losses associated with these securities are not believed to be attributed to credit quality, but rather to changes in interest rates and temporary market movements. In addition, MCCU does not intend to sell the securities with unrealized losses, and it is not more likely than not that MCCU will be required to sell them before recovery of their amortized cost bases, which may be at maturity.

At December 31, 2010, debt securities with a carrying value of approximately $24,700,000 were pledged as collateral to the Federal Reserve Bank of St. Louis, in accordance with the daily settlement agreement therewith.

NOTES TO FINANCIAL STATEMENTS

NOTE 4 — LOANS RECEIVABLE

The composition of loans receivable from members at December 31, 2010 and 2009 is as follows:

	2010	2009
Fixed term loans, net of participations sold	$ 5,000,000	5,000,000
Line of credit loans	1,178,975	3,499,953
	$ 6,178,975	8,499,953

In October 2003, MCCU entered into a series of seven-year balloon, fixed term loans with a member credit union totaling $45,000,000, with a weighted average interest rate of 4.44%. MCCU sold a 90% participation in these loans to U.S. Central in a transfer accounted for as a sale. The fixed term loans were secured by retail installment sales contracts for new and used automobiles and were paid off in May 2009 in advance of the stated maturity of November 2010. At December 31, 2010 and 2009, MCCU had $5,000,000 in fixed term loans with a weighted average interest rate of 2.39% and 5.00%, respectively, and average maturities of two years, four months and two years, eleven months, respectively.

Line of credit loans are fully collateralized and are due on demand. Such loans had a weighted average interest rate of 1.30% and 0.80%, at December 31, 2010 and 2009, respectively.

NOTE 5 — SHORT-TERM BORROWINGS

MCCU maintained an unsecured advised line of credit with U.S. Central Bridge totaling $300,000,000 at December 31, 2010. From time to time, MCCU will draw on this line of credit for short-term liquidity purposes. The interest rate charged by U.S. Central is market driven and was 0.75% at December 31, 2010. At December 31, 2010 and 2009, and for any month-end during 2010 or 2009, MCCU had no borrowings outstanding under this line of credit. For the years ended December 31, 2010 and 2009, the weighted average interest paid to U.S. Central Bridge under this line of credit was 0.75% and 1.25%, respectively, on average balances of $794,521 and $34,548, respectively. Effective February 9, 2011, U.S. Central Bridge lowered MCCU's advised line of credit from $300,000,000 to $175,000,000.

In July 2009, MCCU obtained a $100,000,000 federal funds discretionary line of credit with an unaffiliated financial institution which was fully guaranteed under the TCCULGP. At December 31, 2010 and 2009, and for any month-end during 2010 or 2009, MCCU had no borrowings outstanding under this line of credit. The line of credit was tested during 2009, and for the year ended December 31, 2009 the weighted average interest rate paid to this unaffiliated financial institution was 0.40% on an average balance of $54,795.

NOTE 6 — MEMBERS' ACCOUNTS

Members' accounts at December 31, 2010 and 2009 are summarized as follows:

	2010	2009
Daily shares	$ 217,505,213	381,864,016
Share certificates	236,649,000	462,388,824
Membership capital share deposits	23,376,504	23,939,622
Amortized membership capital share deposits	681,053	117,935
	$ 478,211,770	868,310,397

In June, October and again in December 2009, MCCU received notification of withdrawal of membership capital shares by member credit unions and has been amortizing those membership capital shares in accordance with NCUA Regulation 704. As of December 31, 2010, the amortized portion of membership capital shares was $681,053. This amortized portion is included in membership capital share deposits, but is not considered qualified capital for regulatory capital computation purposes.

NOTES TO FINANCIAL STATEMENTS

Members' accounts by stated interest rate are as follows at December 31, 2010 and 2009:

	2010	2009
Rate:		
0.00% - 0.99%	$400,719,770	669,514,828
1.00% - 1.99%	23,203,000	97,466,655
2.00% - 2.99%	20,398,000	34,251,220
3.00% - 3.99%	24,595,000	47,231,694
4.00% - 4.99%	7,049,000	15,299,000
5.00% - 5.99%	2,247,000	4,547,000
	$478,211,770	868,310,397

At December 31, 2010, scheduled maturities of members' share certificates for each of the next five years were as follows:

Year ended December 31:	
2011	$ 183,689,000
2012	46,810,000
2013	4,950,000
2014	1,200,000
2015	—
	$ 236,649,000

Interest and dividend expense on members' accounts and the weighted average interest rates paid thereon for the years ended December 31, 2010 and 2009 are summarized as follows:

	2010		2009	
	Interest & dividend expense	Weighted average rate	Interest & dividend expense	Weighted average rate
Daily shares	$ 121,017	0.05%	$ 475,976	0.14%
Share certificates	4,598,487	1.42	10,076,655	1.33
Membership share certificates	—	—	170,855	0.65
	$ 4,719,504		$ 10,723,486	

NOTE 7 — EMPLOYEE BENEFITS

MCCU sponsors a contributory 401(k) savings plan to provide retirement benefits to eligible employees, in which MCCU matches employee contributions up to a maximum of 5% of the eligible employee annual compensation. Contributions made by MCCU under the plan were $37,529 and $40,713 for the years ended December 31, 2010 and 2009, respectively.

Substantially all of MCCU's employees are formally employed by the Credit Union Partnership, Inc., a for-profit organization and a wholly owned subsidiary of Missouri Credit Union League, collectively d/b/a Missouri Credit Union Association (MCUA), and as such, participate in the MCUA noncontributory qualified defined benefit pension plan. Benefits are based on years of service and the employees' compensation during the five highest paid years of employment. MCCU made contributions to the MCUA pension plan totaling $67,984 and $84,980 for the years ended December 31, 2010 and 2009, respectively.

Additionally, certain health care and life insurance benefits to eligible retired employees are provided by MCUA. Employees become eligible for those benefits if they have attained the age of 60 and have 20 years of service or have attained the age of 55 and have 30 years of service. The amounts paid by MCCU for these post-retirement benefits were $12,000 and $22,635 for the years ended December 31, 2010 and 2009, respectively.

NOTES TO FINANCIAL STATEMENTS

NOTE 8 — OPERATING LEASE

MCCU leases its office location under a noncancelable operating lease agreement which commenced on December 1, 2009 and expires on April 30, 2020. Minimum rental commitments under this noncancelable operating lease at December 31, 2010, for each of the next five years, and in the aggregate are as follows:

Year ended December 31:	
2011	$ 40,480
2012	41,845
2013	43,209
2014	44,574
2015	45,938
Thereafter	197,398
	$ 413,444

Total rent expense charged to office operating expenses for 2010 was $26,464.

NOTE 9 — LITIGATION

Management is unaware of any legal claims against MCCU that may have arisen in the normal course of business.

NOTE 10 — RELATED PARTY TRANSACTIONS

MCCU serves as a central credit union for its members, and substantially all transactions (except certain banking transactions and the purchase and sale of securities through outside brokers) are with other credit unions and related organizations, many of which are affiliated through common membership. Transactions with such affiliated organizations include the borrowing and lending of money and sale/purchase of securities under repurchase/resale agreements.

Each of MCCU's directors is affiliated with a member credit union which, in the ordinary course of business, has engaged in financial transactions with MCCU. All such credit union transactions have been made on the same terms, including interest rates, as those prevailing at the time for comparable transactions with unrelated parties.

MCUA is a not-for-profit organization which provides a wide variety of products to natural person credit unions in Missouri. MCUA also provides support services for MCCU. Direct costs are charged directly to MCCU. All other costs are paid by MCUA in accordance with a support services agreement between MCUA and MCCU. Under the terms of the support services agreement, MCCU pays MCUA a fixed fee for providing such services. The support services agreement and the related fee are renegotiated annually. The support services fees paid by MCCU to MCUA in 2010 and 2009 were $336,186 and $459,621, respectively.

At December 31, 2010 and 2009, MCCU had amounts payable to MCUA under the support services agreement of $4,903 and $4,525, respectively, which were included in accrued expenses and other liabilities on the statements of financial condition.

MCUA maintains cash deposits and investments at MCCU. During 2010 and 2009, MCCU recorded interest and dividend expense of $10,257 and $12,198, respectively, relating to these deposits and investments.

NOTE 11 — INFORMATION ABOUT FINANCIAL INSTRUMENTS

MCCU is a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its members. These financial instruments primarily include lines of credit to member credit unions. At December 31, 2010 and 2009, MCCU had no committed lines of credit outstanding, and had unused advised lines of credit totaling $623,385,940 and $844,100,066, respectively. MCCU reserves the right to deny a loan request, and the established limits do not guarantee that funds will be available. All such advised lines of credit are quoted at an interest rate determined by MCCU (1.25% for regular members and 1.50% for associate members at December 31, 2010). These advised lines of credit involve, to varying degrees, elements of credit risk in excess of the amounts recognized in the statements of financial condition.

MCCU's exposure to credit loss in the event of nonperformance by the party to which the lines of credit have been extended is represented by the contractual amount of those lines. MCCU uses the same credit policies in making commitments as it does for on-balance sheet instruments such as loans receivable. Lines of credit extended by MCCU generally have no fixed expiration date and are cancelable at any time at the option of MCCU. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. MCCU

NOTES TO FINANCIAL STATEMENTS

evaluates each member credit union's creditworthiness on a case-by-case basis. The amount of collateral deemed necessary by MCCU upon extension of credit is based on management's credit evaluation of the member credit union. Collateral held varies, but generally includes member shares on deposit with MCCU and loans receivable.

The carrying and estimated fair values of MCCU's financial instruments at December 31, 2010 and 2009 are as follows. Such fair value estimates were based on pertinent information available to management as of December 31, 2010 and 2009. Although management is not aware of any factors that would significantly affect the estimated fair value amounts, such amounts have not been comprehensively re-valued for purposes of these financial statements since those dates, and current estimates of fair value may differ significantly from the amounts presented herein.

	2010		2009		
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value	Fair Value Measurements
Assets					
Cash on hand and in banks	$ 117,273,655	117,273,655	184,721,812	184,721,812	Carrying amount
Uncollected cash items	21,134,110	21,134,110	26,308,933	26,308,933	Carrying amount
Interest-earning deposits in financial institutions	292,603,029	293,928,035	645,050,968	647,753,516	Levels 2 & 3 inputs
Investments in held-to-maturity debt securities	—	—	3,600,000	3,593,596	Level 2 inputs
Investments in available-for-sale debt securities	61,676,320	61,676,320	25,426,815	25,426,815	Level 2 inputs
Loans receivable	6,178,975	6,291,475	8,499,953	8,775,953	Level 3 inputs
Accrued interest receivable	839,271	839,271	1,991,857	1,991,857	Carrying amount
NCUSIF deposit	429,325	429,325	455,856	455,856	Carrying amount
Other investments	458,534	448,376	150,000	323,886	Level 3 inputs
	$ 500,593,219	502,020,567	896,206,194	899,352,224	
Liabilities					
Members' accounts	$ 478,211,770	479,401,720	868,310,397	870,595,999	Level 3 inputs
Deposits in collection	21,134,109	21,134,109	26,313,496	26,313,496	Carrying amount
Accrued interest and dividends payable	856,952	856,952	1,773,734	1,773,734	Carrying amount
	$ 500,202,831	501,392,781	896,397,627	898,683,229	

Fair values are calculated using one or more input types, as described in note 1. The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate such value:

CASH AND OTHER SHORT-TERM INSTRUMENTS

For cash on hand and in banks, uncollected cash items, NCUSIF deposit, accrued interest receivable and payable, and deposits in collection, the carrying amount is a reasonable estimate of fair value, as such instruments are due on demand, recorded at redemption value, and/or reprice in a short time period.

INTEREST-EARNING DEPOSITS IN FINANCIAL INSTITUTIONS

The carrying amount of daily shares and short-term certificates (three months or less) approximates fair value, as the balances are due on demand or reprice frequently based on current market rates. For fixed term share certificates with maturities beyond three months, fair value is estimated by discounting the future cash flows using rates currently available for similar share certificates. For investments with U.S. Central, fair values are based on quoted market prices.

INVESTMENTS IN DEBT SECURITIES

Fair values are based on quoted market prices or dealer quotes.

NOTES TO FINANCIAL STATEMENTS

OTHER INVESTMENTS

Other investments, representing MCCU's minority investments in certain credit union service organizations, are valued at the reported book values of the specific investments, which approximate the fair values of such investments.

LOANS RECEIVABLE

For line of credit loans, the carrying value is a reasonable estimate of fair value, as the interest rates on these loans reprice to market on a monthly basis. The fair value of term loans is estimated by discounting the future cash flows using the current rates at which similar loans would be made to borrowers with similar credit ratings and with the same remaining maturities.

MEMBERS' ACCOUNTS

The fair value of share and certificate accounts which mature within three months or with interest rates that reset to market rates at least quarterly approximates the carrying value of such accounts. The fair value of share and certificate accounts with maturities greater than three months is estimated based on the present value of the future cash flows discounted at interest rates currently offered for similar certificates.

COMMITMENTS TO EXTEND CREDIT

No fair value adjustments are deemed to be necessary on MCCU's line of credit commitments, as the related interest rate is based upon market rates when funds are drawn, and the related fees are not significant.

NOTE 12 — CAPITAL REQUIREMENTS

MCCU is considered to be a "baseline" corporate credit union under NCUA regulations. As a baseline corporate credit union, MCCU is subject to various regulatory capital requirements administered by the NCUA. NCUA Regulation 704 (as amended on November 25, 2002) is the regulation that governs corporate credit unions. Regulation 704 ties the determination of earnings retention to two ratios for corporate credit unions — the retained earnings ratio and the core capital ratio. The retained earnings ratio is defined as retained earnings divided by the 12-month moving daily average net assets (MDANA). The core capital ratio is defined as retained earnings and paid-in capital divided by the 12-month MDANA. The earnings retention requirements under Regulation 704 are as follows:

Retained Earnings Ratio > 2%	No increase in retained earnings
Retained Earnings Ratio < 2% and Core Capital Ratio > 3%	Earnings retention factor of .10% of DANA
Retained Earnings Ratio < 2% and Core Capital Ratio < 3%	Earnings retention factor of .15% of DANA

NCUA Regulation 704 requires retained earnings to increase by an amount equal to or greater than the earnings retention amount. At December 31, 2010 and 2009, MCCU's retained earnings ratio was 0.12% and 0.00%, respectively, and its core capital ratio was 0.12% and 0.00%, respectively.

MCCU is required under NCUA Regulation 704 to also maintain a minimum net economic value ratio and total capital ratio. The net economic value ratio is calculated by dividing the net economic value amount by the fair value of assets. The net economic value is defined as the fair value of assets minus the fair value of liabilities. NCUA Regulation 704 limits corporate credit unions to a minimum net economic value ratio of 2.00%. The regulation also requires the net economic value ratio to not decline more than 15% at any one time when the portfolio undergoes an interest rate shock test of plus or minus 300 basis points. MCCU's net economic value ratio was 4.56% and 2.73% at December 31, 2010 and 2009, respectively.

NCUA Regulation 704 defines the total capital ratio as the total of regular reserves, undivided earnings, NCUA and paid-in capital, divided by the 12-month MDANA, and requires a minimum of 4.00%. MCCU's total capital ratio at December 31, 2010 and 2009 was 3.77% and 2.51%, respectively. Accordingly, MCCU was not in compliance with the minimum regulatory capital requirements as of December 31, 2010 and 2009, but still maintained a positive capital structure, unlike certain of the other corporate credit unions in the United States. On September 24, 2010, the NCUA approved new regulations which would allow MCCU and other corporate credit unions to operate with capital levels below the current required capital levels, with plans for increasing capital in future years. The final corporate regulation, which was published in the Federal Register on October 20, 2010, establishes three standards that a corporate credit union must satisfy to meet its capital requirement – a leverage ratio of 4.0%, a tier 1 risk-based capital ratio of 4.0%, and a total risk-based capital ratio of 8.0%.

NOTES TO FINANCIAL STATEMENTS

The NCUA Board has indicated its understanding that the final corporate rule regarding capital regulations is complex and that many corporate credit unions would not meet the targets upon issuance of the final regulation. Instead of an immediate implementation, the NCUA has phased in the new capital requirements over a ten-year period of time. Beginning with the first anniversary of the final rule publication (October 20, 2011), corporate credit unions would have to be in compliance with the new risk-based capital provisions and the present Regulation 704 minimum total capital ratio of 4.0%. Beginning with the third anniversary, corporate credit unions would have to be in compliance with the new leverage ratio, which includes an additional requirement that retained earnings constitutes 45 basis points of MDANA. Beginning with the sixth anniversary, corporate credit unions must be in compliance with the retained earnings part of the various capital ratios, and as such, corporate credit unions must have 100 basis points of MDANA as part of the adequately capitalized 4.0% leverage ratio. Beginning with the tenth anniversary, corporate credit unions must have retained earnings of at least 200 basis points of MDANA as part of the 4.0% leverage ratio. To comply with these proposed capital requirements, MCCU will need to raise additional capital and/or raise fees on products and services.

PEOPLE OF MCCU

Board of Directors

Chris McCreary, CPA, Chairman
Susie Venable, Vice Chairman
Ron Miller, CUDE, Secretary-Treasurer
Glenna Osborn
J. David Osborn
Steve Pierson, CCUE
Cathy Stroud
Phil Weber
Carol White

Supervisory Committee

Steve Wansing, Chairman
Linda Allen
Jeff Schroth

Credit Analysis Committee

Tim Stephens, Chairman
Rick Nichols
John Servos

Asset/Liability Management Committee

Ron Miller, CUDE, Chairman
Julie Chapin
Dennis DeGroodt, CCUE, CUDE
Gary Hinrichs
Randy Marks
Chris McCreary, CPA

Management & Staff

Dennis DeGroodt, CCUE, CUDE, President/CEO
Kitty Gray, CPA, MST, CUDE, Chief Financial Officer
Paulette Hill, AAP, Director of Correspondent Services
Julie Chapin, Director of Financial Services
Lori Domian, AAP, Director of Member Services
Michelle Thompson, Administrative Assistant
Beth Neighbors, CPA, Process/Project Manager
Herman Tate, Accounting Specialist
Sarah Beyer, Credit Analyst
Lucille Finger, Senior MSR
Sandra Bladdick, Senior MSR
Marilyn Lee, MSR

CREDIT WORTHINESS

MISSOURI CORPORATE CREDIT UNION 2010

Retain this report as part of the credit analysis
under Regulation 703

INTEREST RATE RISK

DECEMBER 31, 2009

INTEREST RATE SCENARIO	NEV $	% CHANGE FROM BASE	NEV RATIO %
+ 300 bps	24,030,292	-3.792	2.653
Base	24,977,320	0.000	2.725
- 300 bps	24,977,320	0.000	2.725

MARCH 31, 2010

INTEREST RATE SCENARIO	NEV $	% CHANGE FROM BASE	NEV RATIO %
+ 300	23,104,257	-7.055	2.598
Base	24,857,988	0.000	2.763
- 300	24,857,988	0.000	2.763

JUNE 30, 2010

INTEREST RATE SCENARIO	NEV $	% CHANGE FROM BASE	NEV RATIO %
+ 300	21,864,923	-10.124	3.187
Base	24,327,968	0.000	3.502
- 300	24,327,968	0.000	3.502

SEPTEMBER 30, 2010

INTEREST RATE SCENARIO	NEV $	% CHANGE FROM BASE	NEV RATIO %
+ 300	22,879,034	-6.299	4.282
Base	24,417,007	0.000	4.518
- 300	24,417,007	0.000	4.518

DECEMBER 31, 2010

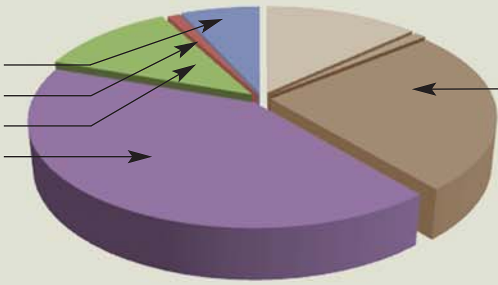
INTEREST RATE SCENARIO	NEV $	% CHANGE FROM BASE	NEV RATIO %
+ 300	22,086,945	-8.691	4.211
Base	24,189,164	0.000	4.557
- 300	24,189,164	0.000	4.557

INVESTMENTS

DECEMBER 2010

U.S. Central Bridge Corporate FCU

Daily and Overnight Shares	6.7%
Community Investment Fund	1.1%
Other Floating Rate Certificates	11.7%
Fixed Term Certificates	41.6%



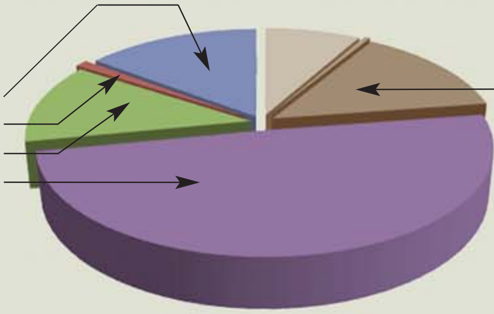
Other

Interest Bearing Deposits	24.8%
Shares & Share Certificates of other financial institutions	1.0%
AFS — Agency Securities	13.1%

SEPTEMBER 2010

U.S. Central Corporate FCU

Daily and Overnight Shares	14.7%
Community Investment Fund	1.1%
Other Floating Rate Certificates	12.3%
Fixed Term Certificates	49.3%



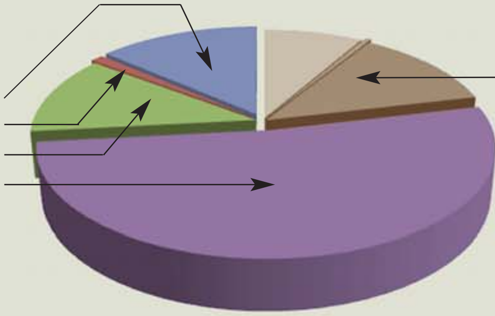
Other

Interest Bearing Deposits	14.0%
Shares & Share Certificates of other financial institutions	0.5%
AFS — Agency Securities	8.1%

JUNE 2010

U.S. Central Corporate FCU

Daily and Overnight Shares	13.6%
Community Investment Fund	1.1%
Other Floating Rate Certificates	12.0%
Fixed Term Certificates	52.0%



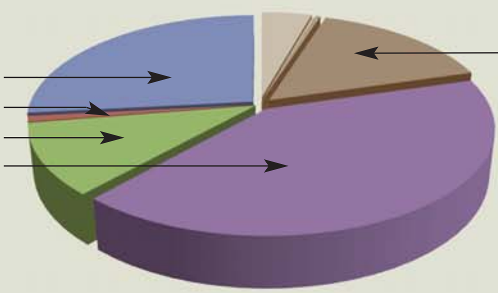
Other

Interest Bearing Deposits	12.5%
Shares & Share Certificates of other financial institutions	0.5%
AFS — Agency Securities	8.3%

MARCH 2010

U.S. Central Corporate FCU

Daily and Overnight Shares	26.7%
Community Investment Fund	0.9%
Other Floating Rate Certificates	10.8%
Fixed Term Certificates	41.2%



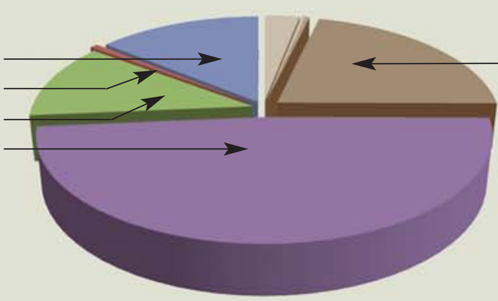
Other

Interest Bearing Deposits	15.5%
Shares & Share Certificates of other financial institutions	0.4%
HTM — Agency Securities	0.2%
AFS — Agency Securities	4.3%

DECEMBER 2009

U.S. Central Corporate FCU

Daily and Overnight Shares	14.0%
Community Investment Fund	0.7%
Other Floating Rate Certificates	11.7%
Fixed Term Certificates	48.5%



Other

Interest Bearing Deposits	21.4%
Shares & Share Certificates of other financial institutions	0.3%
HTM — Agency Securities	0.4%
AFS — Agency Securities	3.0%

BALANCE SHEET

	12-31-10 (audited)	9-30-10 (unaudited)	6-30-10 (unaudited)	3-31-10 (unaudited)	12-31-09 (audited)
Assets					
Cash & Uncollected Deposits	$ 21,774,888	$ 24,020,108	$ 24,653,456	$ 24,302,225	$ 27,057,132
Loans, Net of Participations Sold	6,178,975	8,592,519	7,330,786	5,797,752	8,499,953
Investments:					
Interest Bearing Cash Deposits	116,632,877	68,697,596	67,885,202	114,972,390	183,973,613
U.S. Central FCU	287,825,029	380,564,398	426,654,446	590,654,377	642,603,968
HTM — Outside U.S. Central FCU	—	—	—	1,600,000	3,600,000
AFS — Investments Outside U.S. Central FCU	61,676,320	39,699,134	45,257,805	31,729,765	25,426,815
Other	5,236,534	2,845,000	2,845,000	2,845,000	2,597,000
Total Investments	471,370,760	491,806,128	542,642,453	741,801,532	858,201,396
Other Assets	1,689,752	1,994,764	1,880,129	2,586,602	2,797,224
Total Assets	$ 501,014,375	$ 526,413,519	$ 576,506,824	$ 774,488,111	$ 896,555,705
Liabilities & Members' Equity					
Liabilities:					
Future Dated Deposits	$ 21,134,109	$ 23,909,951	$ 23,886,777	$ 22,362,380	$ 26,313,497
Other Liabilities	1,086,979	1,358,630	1,280,847	1,886,018	2,004,996
Total Liabilities	22,221,088	25,268,581	25,167,624	24,248,398	28,318,493
Members' Shares:					
Daily Shares	217,505,213	188,726,365	197,617,751	377,269,986	381,864,016
Share Certificates	236,649,000	287,882,107	329,163,366	348,934,302	462,388,824
Membership Shares, Amortized Portion	681,053	483,126	366,455	249,785	117,935
Total Shares	454,835,266	477,091,598	527,147,572	726,454,073	844,370,775
Members' Equity:					
Membership Shares, Net of Amortization	23,376,504	23,574,431	23,691,102	23,807,772	23,939,622
Reserves	—	—	—	—	—
Undivided Earnings	798,612	479,240	442,867	48,923	—
Paid-in Capital	—	—	—	—	—
Total Capital	24,175,116	24,053,671	24,133,969	23,856,695	23,939,622
Accumulated Other Comprehensive Losses	(217,095)	(331)	57,659	(71,055)	(73,185)
Total Members' Equity	23,958,021	24,053,340	24,191,628	23,785,640	23,866,437
Total Liabilities & Members' Equity	$ 501,014,375	$ 526,413,519	$ 576,506,824	$ 774,488,111	$ 896,555,705

INCOME STATEMENT

	For The Three Months Ended 12-31-10	For The Three Months Ended 9-30-10	For The Three Months Ended 6-30-10	For The Three Months Ended 3-31-10	For The Year Ended 12-31-09
Loan Income	$ 42,065	$ 205,380	$ 196,192	$ 162,855	$ 1,133,807
Investment Income	1,109,488	1,528,006	1,747,637	1,956,432	12,470,794
Total Interest Income	1,151,553	1,733,386	1,943,829	2,119,287	13,604,601
Interest & Dividend Expense	789,370	1,289,525	1,423,871	1,633,419	11,415,632
Net Interest Income	362,183	443,861	519,958	485,868	2,188,969
Net Realized Gains (Losses) on Financial Instruments	4,921	(3,315)	293,764	—	—
Operating Expenses	504,654	549,597	560,236	565,424	2,401,121
Depletion of U.S. Central Corporate FCU Capital Investments	—	—	—	—	(34,428,034)
Fee & Other Income	148,388	145,424	140,458	128,479	855,303
Equity in Earnings from CUSO	308,534	—	—	—	—
Net Income (Loss)	$ 319,372	$ 36,373	$ 393,944	$ 48,923	$ (33,784,883)

STATEMENT OF RESERVES, UNDIVIDED EARNINGS AND PAID-IN CAPITAL

	Reserves	Undivided Earnings	Paid-in Capital	Accummulated Other Comprehensive Income	Total
Balance as of December 31, 2008	$ 16,234,081	$ 5,269,922	$ 9,674,700	$ —	$ 31,178,703
Net Loss	—	(33,784,883)	—	—	(33,784,883)
Transfer of reserves	(16,234,081)	16,234,081	—	—	—
Depletion of members' paid-in capital	—	9,674,700	(9,674,700)	—	—
Partial depletion of members' MCSD	—	2,632,843	—	—	2,632,843
Dividends on paid-in capital	—	(26,663)	—	—	(26,663)
Change in valuation of AFS debt securities	—	—	—	(73,185)	(73,185)
Balance as of December 31, 2009*	$ —	$ —	$ —	$ (73,185)	$ (73,185)
Net Income	—	48,923	—	—	48,923
Change in valuation of AFS debt securities	—	—	—	2,130	2,130
Balance as of March 31, 2010**	$ —	$ 48,923	$ —	$ (71,055)	$ (22,132)
Net Income	—	393,944	—	—	393,944
Change in valuation of AFS debt securities	—	—	—	128,714	128,714
Balance as of June 30, 2010**	$ —	$ 442,867	$ —	$ 57,659	$ 500,526
Net Income	—	36,373	—	—	36,373
Change in valuation of AFS debt securities	—	—	—	(57,990)	(57,990)
Balance as of September 30, 2010**	$ —	$ 479,240	$ —	$ (331)	$ 478,909
Net Income	—	319,372	—	—	319,372
Change in valuation of AFS debt securities	—	—	—	(216,764)	(216,764)
Balance as of December 31, 2010*	$ —	$ 798,612	$ —	$ (217,095)	$ 581,517

* Audited

** Unaudited

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