MISSOURI CORPORATE CREDIT UNION

2008 ANNUAL REPORT

WORKING TOGETHER

MISSION STATEMENT

The mission of

Missouri Corporate Credit Union

is to help our members succeed.

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CHAIRMAN'S REPORT

In 2008, we witnessed an economic decline unlike any seen for decades. Some of the declines in numbers were breathtaking. Several of the largest banks in the nation failed; the securities markets were, and to some extent still are, largely frozen; home values plummeted and foreclosures increased dramatically. Some have called it the "Great Recession." Given the current climate and the dramatic events that have occurred, this report will cover both 2008 and the first three quarters of 2009.

Regarding 2008: Despite all the problems, Missouri Corporate Credit Union's (MCCU) asset growth was strong in 2008. We started 2008 with assets of $908 million, climbed to $1.1 billion in February (a new all time high), and closed the year at $876 million. Unlike most natural person credit unions, MCCU's assets often increase or decrease dramatically during the year. For example, our lowest asset total was $783 million (which occurred in September) and our highest asset level as stated previously was $1.1 billion (occurring in February), that's a difference of $317 million, or 41%!

Prior to the capital depletions associated with U.S. Central Federal Credit Union (U.S. Central), total net income after Paid-in Capital (PIC) dividends for 2008 was $886,164, slightly higher than the $873,869 earned in 2007. As this report is being written, the capital depletions connected with our investments in U.S. Central totaled $40.7 million – leaving MCCU with $0 retained earnings and $538,345 or 5.56% of our members' original PIC investment. To date, none of our member credit unions' Membership Capital Shares (MCS) accounts have been depleted. However, we expect additional capital depletions at U.S. Central shortly after year-end 2009 which will result in additional PIC depletions and perhaps some MCS depletions as of December 31, 2009.

As the negative news began to mount in 2008, MCCU's President/CEO sent a series of letters to members describing the events and their potential effect on the members and MCCU. In addition, we hosted five Town Hall meetings; three in Missouri and one each in Illinois and Oklahoma. As Chairman, I attended all of the Town Hall meetings. At MCCU's 2008 Annual Meeting, then current U.S. Central CEO, Francis Lee, spoke to the attendees and provided an assessment of U.S. Central's risk position.

Regarding 2009: As 2009 unfolded, the news got worse. U.S. Central was taken into conservatorship by the National Credit Union Administration (NCUA) on March 20, 2009. To prevent a "run" on corporate credit unions, the NCUA unveiled a guarantee program for corporate credit union shares and debt. MCCU participates in both of these programs.

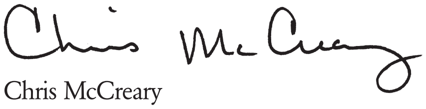
Shortly after U.S. Central was taken into conservatorship (along with WesCorp, the corporate credit union located in California), the NCUA announced that U.S. Central's capital was completely impaired. This information was broadcast to MCCU members in a letter and during a conference call. In the weeks following, the Financial Accounting Standards Board (FASB) adopted new accounting regulations that enabled U.S. Central to book net losses which dramatically reduced the 100% capital impairment. Under the new rules, U.S. Central calculates losses quarterly and the quarterly losses increased for both the first and second quarters of 2009 with the third quarter losses similar to those of the first quarter. As noted previously, we expect fourth quarter losses to increase.

Early in 2009, the NCUA released an "Advanced Notice of Proposed Rulemaking" seeking comments on revisions to the corporate credit union regulation. In St. Louis on September 15, 2009, the NCUA verbally described some of the major corporate credit union regulation revisions at the first of several Town Hall meetings. The NCUA Board then published the proposed revisions after their November 19, 2009 meeting and expects an implementation date in mid-2010.

As this report is being written, corporate credit unions across the nation are looking closely at their operations to see how or if they can comply with the proposed regulations. MCCU is no different. We are weighing our options and analyzing the final rule so we can plan the future direction of the organization.

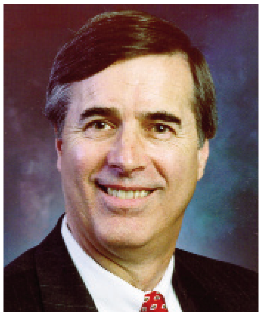
Your support during these unprecedented times has been remarkably positive and very much appreciated. I hope you will continue to support MCCU as we chart our way through these troubled waters.

Respectfully submitted,



Chris McCreary
Chairman, Board of Directors

PRESIDENT'S REPORT



To say that 2008 was an interesting year would be an understatement. The stock market crashed, unemployment increased dramatically, home foreclosures went through the roof, and U.S. Central Federal Credit Union (U.S. Central) was taken into conservatorship by the National Credit Union Administration (NCUA). It's hard to imagine a more dire scenario.

As a result of the conservatorship, U.S. Central's audited 2008 financial statements were not made available until late on Friday, September 11, 2009. Consequently, Missouri Corporate Credit Union's (MCCU) audited financial statements were delayed until November 30, 2009. U.S. Central's 2008 audit revealed a capital depletion of $554,362,000 and an additional capital depletion of $1,295,638,000 through September 30, 2009. As a result, MCCU's retained earnings were completely depleted along with $9,136,355 or 94.44% in Paid-In Capital (PIC) accounts as of October 31, 2009.

As a result of new accounting standards adopted by the Financial Accounting Standards Board (FASB), U.S. Central was able to reverse a large portion of the 2008 capital depletions in early 2009. However, continued losses during 2009 on U.S. Central's investment portfolio depleted most of the accounting reversal. Additional capital depletions at U.S. Central are expected as of year-end 2009 which will result in additional PIC depletions and perhaps Membership Capital Share (MCS) depletions at MCCU.

The 2008 capital depletions leave MCCU with the following capital ratios as of 12-31-08:

Retained Earnings Ratio	2.35%
Core Capital Ratio (Retained Earnings + PIC)	3.41%
Capital Ratio (Retained Earnings + PIC + MCS)	6.30%

However, since a number of critical functions conducted by corporate credit unions use capital ratios as a base, the NCUA permits corporate credit unions to use 11-30-08 capital ratios when calculating certain critical functions. As of 11-30-08, MCCU's capital ratios were:

Retained Earnings Ratio	3.39%
Core Capital Ratio (Retained Earnings + PIC)	4.45%
Capital Ratio (Retained Earnings + PIC + MCS)	7.34%

All of the 11-30-08 capital ratios are well above the minimum requirements of Part 704, the NCUA regulation governing the operation of corporate credit unions.

As events at U.S. Central began to unfold in late 2007, MCCU management sent a series of letters to members describing the events and its effect on MCCU. In 2008, we hosted a series of Town Hall meetings in Missouri, Illinois and Oklahoma. The meetings provided a forum for credit unions to speak directly to MCCU management and enabled MCCU management to hear what members had to say. The letters and Town Hall meetings continued in 2009 and will continue until the situation stabilizes.

Even though MCCU suffered large capital losses in 2008, the organization continued to focus on serving members and attracting new members. In fact, we welcomed 18 new members in 2008! Twelve of those new members came from Illinois, Oklahoma and Iowa. At the end of 2008, we have 48 members in Illinois, 18 members in Oklahoma and 4 members in Iowa in addition to 177 Missouri members.

In addition to focusing on new member growth, we also focused on solidifying the relationships we have with new and existing members. In 2008, our goal was to sell at least 30 "key" products and we sold 64! We also set a goal of selling at least 5 "core" products and we sold 26! The use of "key" and "core" products cements the relationship because the products are so important to the day-to-day operations of credit unions. Examples of "key" products are wire transfers, CD purchases, bill-pay and Open Door. "Core" products are settlement, APEX and lines of credit.

We also continued on the quality journey that resulted in Missouri Corporate winning the Missouri Quality Award in 2006. In 2008, we applied a second time for the Malcolm Baldrige National Quality Award but did not receive a site visit. In fact, we raised our score only one point! That shows how difficult the process is, but well worth the effort involved.

How do we know our quality efforts actually improve the organization? We know by our consistent performance. For example, each year we survey our members and ask them their overall level of satisfaction and specifically their satisfaction with our operations. In 2008, we received an overall satisfaction score of 8.9 on a 10.0 scale (with 10.0 being the best), and we received an 8.7 operations satisfaction score. Over the past several years we have scored consistently above 8.5 in overall satisfaction, and the operations satisfaction score has climbed steadily from 7.21 in 2002 to its high of 8.7 in 2008.

It is the mission of Missouri Corporate to help our members succeed. The impairment of PIC accounts has certainly hurt our members and does not fulfill our Mission Statement. On the other hand, our continued growth and high levels of member satisfaction tell us we are helping our member's succeed by providing high quality, cost-effective products and services. We will continue to do that. On behalf of management and staff, I wish to thank you for your continued support.

Respectfully submitted,

Dennis J. DeGroodt

Dennis J. DeGroodt, CCUE
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 Administration (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, 2008, and issued their report accordingly. In order to deliver the annual report in a manner which maximizes timeliness and best use of members' resources, the complete 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 a few 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
Doug Ruckman
Jeff Schroth

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 2008, the Credit Analysis Committee met 10 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 2009.

MCCU started 2008 with $29.7 million in loans outstanding. During 2008, overnight borrowings varied from a low of $0 to a high of $37.7 million on October 9, 2008. Adding $15.9 million in term loans brought peak loans outstanding to $53.6 million in 2008, somewhat more than the peak of $48.5 million which occurred in August 2005. MCCU closed 2008 with $21.8 million in total loans outstanding.

In late 2008, 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 3.25% and steadily declined as the Fed lowered short-term rates to finish the year at 2.15%. The Associate member line of credit rate started at 3.25% and ended the year at 2.65%.

Respectfully submitted,

Timothy Stephens, Chairman
Rick Nichols
John Servos

MANAGEMENT'S DISCUSSION

The market deterioration that began a couple of years ago, continued to spiral downward and intensified dramatically in the latter part of 2008 when the slump in the housing market slipped over into the capital markets, which froze access to capital, widened credit spreads, lowered business and consumer confidence and raised concerns about the solvency of many financial institutions.

Missouri Corporate Credit Union (MCCU) was not immune to this financial crisis as it had the majority of its investment holdings in U.S. Central Federal Credit Union (U.S. Central) who in turn had a significant portion of its investments in non-agency residential mortgage backed securities. Many of these investments were subsequently downgraded and the values so impaired that U.S. Central recorded significant other than temporary impairment (OTTI) charges during 2008 and in the first three quarters of 2009.

On March 20, 2009, the Board of the National Credit Union Administration (NCUA) placed U.S. Central in conservatorship. This action was taken in order to preserve U.S. Central's assets and the interests of its members and to protect the National Credit Union Share Insurance Fund by rebuilding member and public confidence in the credit union system, restoring the flow of liquidity throughout the credit union system and maintaining uninterrupted payment system operations.

RESULTS OF OPERATIONS

MCCU recorded $8.1 million net loss for the year ended December 31, 2008, compared to net income for the prior year of $1.4 million. The current year net loss was the result of U.S. Central depletion of member corporate credit unions' capital accounts as of year end to cover OTTI charges on its investment portfolio which exceeded reserves and undivided earnings. U.S. Central's paid-in capital (PIC) is comprised of two classes, PIC I and PIC II. The depletion included a 100% of member corporate credit unions' PIC II accounts and 34.78% 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 the year without the U.S. Central depletion would have been $1,383,414 or 10 basis points for the year which is comparable to prior year's earnings.

The prolonged low interest rate environment and the need to maintain liquidity within the corporate network, continued to put pressure on net interest margins. As a result, MCCU's matched book of business yielded very little change in net interest income year over year with a slight increase of $31,000 or 0.9%. Noninterest income increased over last year by $52,500 or 7.1%, while noninterest expense, excluding the depletion of capital in U.S. Central, increased over last year by $142,500 or 5.6%.

ASSETS

A review of MCCU's financial performance over the past year reflects record high total assets and a steady increase in the 12-month moving daily average net assets (DANA), as liquidity tracked its seasonal changes. In February 2008, total assets topped out at an all-time high of $1,123,000,000, surpassing the previous high mark set in May 2007 of $1,099,000,000. DANA as of December 2008 increased approximately $27,775,000 or 3.1% compared to December 2007. Year-end total assets decreased over last year by 3.4%.

A consequence of the depletion of capital in U.S. Central was a decline in MCCU's capital ratio over the past year to 6.30% compared to 7.47%, as of December 31, 2008 and 2007, respectively, well above the regulatory minimum of 4.00%. It is from this capital position that MCCU has consistently paid a high percentage of income to member credit unions.

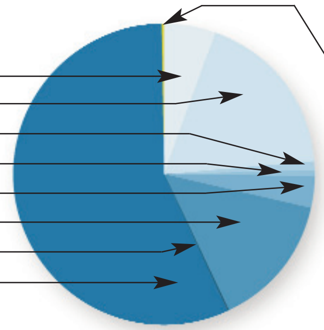
MCCU's investment portfolio is matched to such a degree that fluctuations in interest rates have little effect on MCCU's net economic value (NEV). MCCU's NEV ratio as of December 31, 2008, was 6.243% compared to the regulatory minimum of 2.00% and reflects a decrease over last year's NEV ratio by 0.64%. Shocking the portfolio up or down 300 basis points (bps) generated a maximum projected decline of only –2.036%. The regulatory maximum decline is 15.00%. Because of this matched investment strategy, MCCU is well positioned to meet the liquidity demands of our member credit unions.

INVESTMENTS

2008

U.S. Central Federal Credit Union

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%



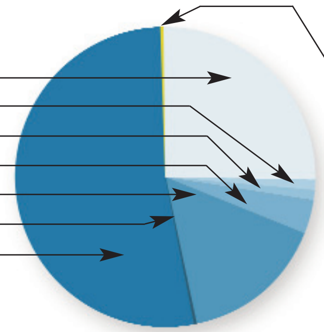
Other

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

2007

U.S. Central Federal Credit Union

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%



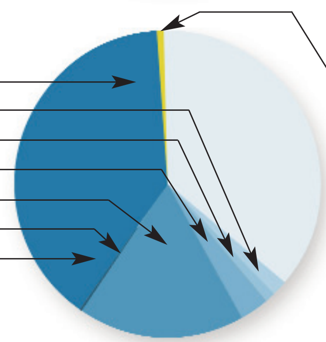
Other

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

2006

U.S. Central Federal Credit Union

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%



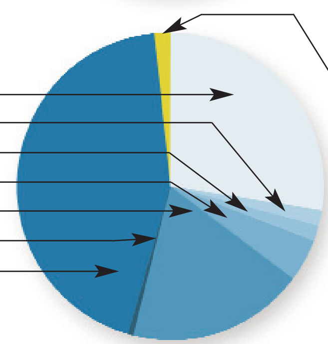
Other

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

2005

U.S. Central Federal Credit Union

Daily and Overnight Shares	27.5%
Community Investment Fund	1.9%
Member Paid-In Capital	1.7%
Membership Capital Shares	4.2%
Other Floating Rate Certificates	18.6%
Indexed Amortizing Certificates	0.6%
Fixed Term Certificates	43.9%



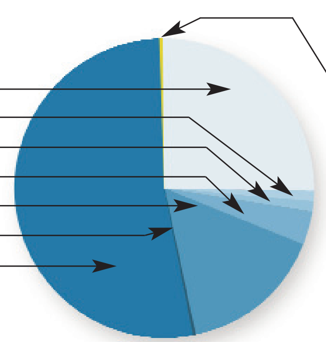
Other

Shares & Share Certificates of other financial institutions	0.2%
Agency Securities	1.4%
Asset Backed Securities	0.0%

2004

U.S. Central Federal Credit Union

Daily and Overnight Shares	8.7%
Community Investment Fund	1.9%
Member Paid-In Capital	1.6%
Membership Capital Shares	4.3%
Other Floating Rate Certificates	34.7%
Indexed Amortizing Certificates	1.0%
Fixed Term Certificates	46.5%

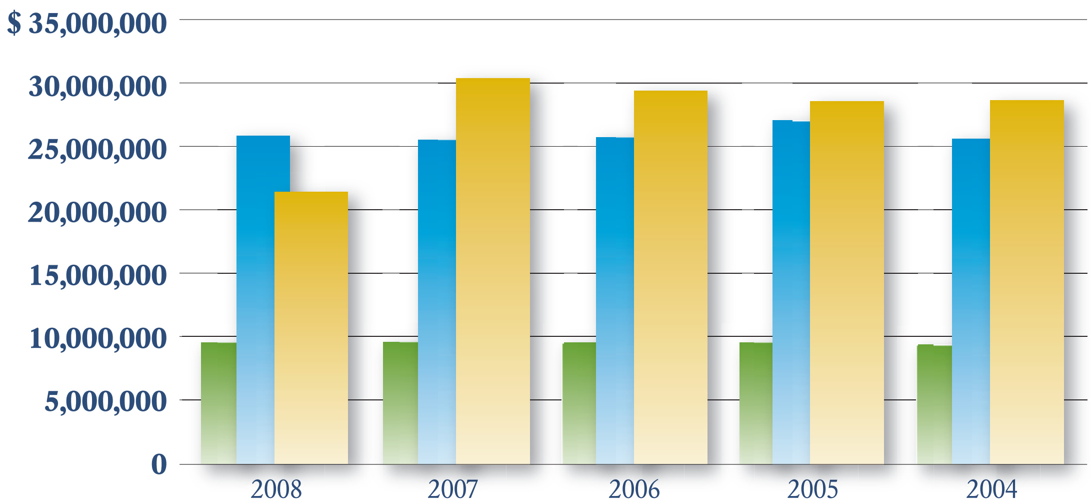


Other

Shares & Share Certificates of other financial institutions	1.1%
Agency Securities	0.0%
Asset Backed Securities	0.2%

STATISTICAL TRENDS

COMPONENTS OF CAPITAL



	2008	2007	2006	2005	2004
* Retained Earnings Ratio	2.35%	3.40%	4.09%	4.75%	4.30%
** Core Capital Ratio	3.41%	4.50%	5.44%	6.34%	5.77%
***Capital Ratio	6.30%	7.47%	9.17%	10.80%	9.79%

* Represents Reserves and Undivided Earnings divided by Moving Daily Average Net Assets

** Represents Reserves, Undivided Earnings and Paid-in Capital divided by Moving Daily Average Net Assets

*** Represents Reserves, Undivided Earnings, Paid-in Capital and Membership Capital Share Deposits divided by Moving Daily Average Net Assets

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, 2008 and 2007, and the related statements of operations, 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 $812,970,331 and $785,600,818 at December 31, 2008 and 2007, 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.

As discussed in Notes 1, 3, and 12 to the financial statements, MCCU has suffered losses resulting from the depletion of its investments in U.S. Central Federal Credit Union through October 31, 2009 that have left MCCU with capital ratios below the regulatory minimum required levels, similar to other corporate credit unions in the United States. The National Credit Union Association has proposed new regulations to allow MCCU and other corporate credit unions to operate under new capital levels.

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, 2008 and 2007, 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.

November 30, 2009
St. Louis, Missouri

STATEMENTS OF FINANCIAL CONDITION

December 31, 2008 and 2007

	2008	2007
ASSETS		
Cash	**$ 1,386,873**	2,334,919
Cash – interest bearing	**439,344**	–
Uncollected cash items	**28,250,078**	22,422,306
Federal funds sold (note 2)	**148,043,729**	–
Interest-earning deposits in financial institutions (note 3)	**672,234,255**	793,115,643
Investments in held-to-maturity debt securities, at amortized cost (fair value of $1,477,533 at December 31, 2007 (note 4)	**–**	1,477,708
Loans receivable (note 5)	**21,804,496**	29,133,788
Accrued interest receivable	**3,256,902**	7,779,516
Other assets	**681,714**	704,309
	$876,097,391	856,968,189
LIABILITIES AND MEMBERS' EQUITY		
Liabilities:		
Short-term borrowings (note 6)	**$ –**	–
Deposits in collection	**28,280,469**	23,181,444
Accrued interest and dividends payable	**3,401,450**	8,123,068
Accrued expenses and other liabilities (note 10)	**266,438**	248,474
Total liabilities	**31,948,357**	31,552,986
Commitments and contingent liabilities (notes 9 and 11)		
Members' equity (note 12):		
Members' accounts (note 7)	**812,970,331**	785,600,818
Appropriated regular reserve	**16,234,081**	16,234,081
Undivided earnings	**5,269,922**	13,905,604
Paid-in capital	**9,674,700**	9,674,700
Total members' equity	**844,149,034**	825,415,203
	$876,097,391	856,968,189

See accompanying notes to financial statements.

STATEMENTS OF OPERATIONS

Years ended December 31, 2008 and 2007

	2008	2007
Interest and dividend income:		
Interest and dividends on interest-earning deposits in financial institutions (note 3)	**$ 27,335,981**	42,509,211
Interest on Federal funds sold (note 2)	**2,442,757**	–
Interest on held-to-maturity debt securities (note 4)	**10,444**	178,544
Interest on securities purchased under resale agreements	**3,760,953**	760,320
Interest on loans receivable (note 5)	**1,125,675**	1,033,634
Total interest and dividend income	**34,675,810**	44,481,709
Interest and dividend expense:		
Interest and dividends on members' accounts (note 7)	**27,635,819**	40,449,043
Interest on securities sold under repurchase agreements	**3,765,575**	760,320
Interest on borrowings from financial institutions (note 6)	**8,939**	37,866
Total interest expense	**31,410,333**	41,247,229
Net interest income	**3,265,477**	3,234,480
Noninterest income	**798,208**	745,673
Noninterest expense:		
Salaries and employee benefits (note 8)	**1,060,171**	1,001,269
Correspondent services charges	**354,304**	374,374
Management fees	**371,770**	372,851
Professional and outside services	**419,531**	380,944
Office operating expenses	**283,738**	245,623
Depletion of U.S. Central Federal Credit Union paid-in capital (note 1)	**9,521,847**	–
Other noninterest operating expenses	**190,757**	162,699
Total noninterest expense	**12,202,118**	2,537,760
Net income (loss)	**$ (8,138,433)**	1,442,393

See accompanying notes to financial statements.

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

Years ended December 31, 2008 and 2007

	Appropriated regular reserve	Undivided earnings	Paid-in capital	Total
Balance, December 31, 2006	$ 16,234,081	13,031,735	9,674,700	38,940,516
Net income	–	1,442,393	–	1,442,393
Dividends on paid-in capital	–	(568,524)	–	(568,524)
Balance, December 31, 2007	16,234,081	13,905,604	9,674,700	39,814,385
Net loss	**–**	**(8,138,433)**	**–**	**(8,138,433)**
Dividends on paid-in capital	**–**	**(497,249)**	**–**	**(497,249)**
Balance, December 31, 2008	**$16,234,081**	**5,269,922**	**9,674,700**	**31,178,703**

See accompanying notes to financial statements.

STATEMENTS OF CASH FLOWS

Years ended December 31, 2008 and 2007

	2008	2007
Cash flows from operating activities:		
Net income (loss)	**$ (8,138,433)**	1,442,393
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Amortization and accretion, net	**(2,292)**	(14,644)
Depletion of U.S. Central Federal Credit Union paid-in capital	**9,521,847**	–
Decrease (increase) in accrued interest receivable	**4,522,614**	(3,078,392)
Increase (decrease) in accrued interest and dividends payable	**(4,721,618)**	3,128,291
Other operating activities, net	**40,559**	(223,053)
Net cash provided by operating activities	**1,222,677**	1,254,595
Cash flows from investing activities:		
Net (increase) decrease in interest-earning deposits with financial institutions	**111,359,541**	(105,337,922)
Proceeds from maturities of held-to-maturity debt securities	**1,480,000**	4,000,000
Net (increase) decrease in loans receivable	**7,329,292**	(11,157,506)
Net cash provided by (used in) investing activities	**120,168,833**	(112,495,428)
Cash flows from financing activities:		
Net increase in members' accounts	**27,369,513**	97,519,729
Net increase in deposits in collection	**5,099,025**	19,945,436
Dividends paid on paid-in capital	**(497,249)**	(568,524)
Net cash provided by financing activities	**31,971,289**	116,896,641
Net increase in cash and cash equivalents	**153,362,799**	5,655,808
Cash and cash equivalents at beginning of year	**24,757,225**	19,101,417
Cash and cash equivalents at end of year	**$178,120,024**	24,757,225
Supplemental information – Cash paid for interest and dividends	**$ 36,131,951**	38,118,938

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 11 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. For the years ended December 31, 2008 and 2007, MCCU had no comprehensive income components other than net income.

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 insured by the Federal Deposit Insurance Corporation or National Credit Union Administration (NCUA). Federal funds are sold to U. S. Central Federal Credit Union (U.S. Central) and have 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 March 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 accounts.

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. U.S. Central is the central credit union in which corporate credit unions are members. Under the corporate credit union structure, U.S. Central acts 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. The conservatorship has no specified termination date. No assurance can be provided as to when or how the conservatorship will be terminated, or what U.S. Central's business structure will be during or following the conservatorship.

U.S. Central receives, directly and indirectly, substantial support from the NCUA, as conservator, insurer, guarantor, and regulator. U.S. Central is dependent on the NCUA to avoid being placed into liquidation and continue to access the debt markets.

MCCU also invests in certificates of deposit with other financial institutions. Such certificates generally have maturities of approximately two years.

NOTES TO FINANCIAL STATEMENTS

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.

All other debt securities and all marketable equity securities would be classified as available-for-sale and carried at fair value. MCCU did not maintain any such securities at December 31, 2008 or 2007. Unrealized holding gains and losses on available-for-sale securities would be recognized as a component of other comprehensive income within members' equity. For any sales of available-for-sale securities, the cost of securities sold would be recognized using the specific identification method. MCCU does not maintain a trading portfolio.

A decline in the fair value of any security below cost that is deemed other than temporary would result in a charge to earnings and the establishment of a new cost basis for the security. To determine whether an impairment is other than temporary, MCCU considers whether it has the ability and intent to hold the investment until a market price recovery and considers whether evidence indicating the cost of the investment is recoverable outweighs evidence to the contrary. Evidence considered in this assessment includes the reason for impairment, the severity and duration of the impairment, and changes in value after the balance sheet date.

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 for 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 statement of financial position, 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, as it was for the years ended December 31, 2008 and 2007.

In a letter to federally-insured credit unions issued on January 28, 2009, 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, NCUA was taking decisive action to stabilize U.S. Central's financial position and provide stability for the liquidity needs of the corporate system. In the letter, NCUA announced two significant actions it was taking to address the current status of the corporate credit union system, as follows: (a) NCUA injected $1 billion in cash from the NCUSIF into U.S. Central in the form of a capital note. This capital note has no stated maturity, but can be repaid by U.S. Central at any time after two years. In addition, the note has a variable dividend rate to be paid quarterly and has 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 is 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. NCUA indicated that the expense of the actions would be passed on proportionately to all federally-insured credit unions through the partial (estimated 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%.

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.

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 will cover all shares, but does not include 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. NCUA's initial estimate of the liability attributable to this guarantee was $3.7 billion, based on then current corporate credit union balance sheets (i.e., the holdings of impaired asset-backed securities) and the modeling of various market scenarios. NCUA indicated that this estimate could change significantly depending on a host of factors including, but not limited to, credit loss estimates. 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. In August 2009, the TCCUSGP was extended by the NCUA to December 31, 2011 and on November 23, 2009, was further extended to March 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 is June 30, 2010, while the maximum maturity date is 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 the first three quarters of 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 non-agency retail mortgage-backed securities. As a result of net losses recorded by U.S. Central in the first three quarters of 2009, significant additional depletion of Paid-in Capital and Membership Capital Share Accounts balances was required, as further described in note 3.

As a result of these actions by 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, due by mid-December 2009 and estimated to be $68,378.

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 long-standing 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 March 31, 2012.

Deposits in Collection

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

NOTES TO FINANCIAL STATEMENTS

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 has no stated maturity and qualifies as equity under U.S. generally accepted accounting principles. Under NCUA Regulation 704.2, Paid-in Capital is available to cover losses that exceed retained earnings. NCUA also requires capital accounts to be depleted to cover losses that exceed retained earnings, first by Paid-in Capital accounts, and then by membership capital share accounts.

Income Taxes

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

Securities Sold Under Repurchase Agreements

MCCU maintains a security repurchase program under which member credit unions sell securities to MCCU under agreements to repurchase the securities at later dates. The member credit unions participating in this program enter into such agreements with MCCU to obtain funds for reinvestment in MCCU's share certificates. Accordingly, MCCU records as an asset the securities purchased under agreements to resell, and reinvests the proceeds in share certificates with U.S. Central. To finance the transaction, MCCU enters 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 are due. Such repurchase agreements are considered financing arrangements and, accordingly, the obligation to repurchase assets sold is reflected as a liability in the statement of financial condition. Resell agreement assets are collateralized by debt securities which are under the control of the selling member credit union, and repurchase agreement obligations are collateralized by debt securities which are under the control of MCCU. Interest charges incurred on repurchase transactions between member credit unions and MCCU, and between MCCU and U.S. Central, are generally the same. MCCU earns 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, 2008 and 2007, and for any month-end during the years then ended, MCCU had no balances outstanding under this program. During 2008 and 2007, the maximum amount outstanding at any time during the year was $281,293,825 and $204,477,408, respectively, the average balances outstanding for 2008 and 2007 were $159,330,901 and $16,471,791, respectively, and the average rates paid on such repurchase agreement obligations for 2008 and 2007 were 2.36% and 4.62%, respectively.

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.

Reclassifications

Certain reclassifications have been made to the 2007 financial statement presentation to correspond to the 2008 presentation. Total members' equity and net income are unchanged due to these reclassifications.

NOTE 2 – FEDERAL FUNDS SOLD

In 2008, U.S. Central converted certain of its short-term member accounts to member Federal funds. These new member Federal funds transactions are senior to all member share and certificate accounts at U.S. Central in the event of liquidation.

During the year ended December 31, 2008, Federal funds maintained at U.S. Central earned a weighted average yield of 1.93% on an average balance of $126,842,040 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – 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, 2008 and 2007:

	2008	2007
U.S. Central Federal Credit Union:		
Daily and overnight shares	**$ 45,700,151**	191,908,101
Fixed term certificates	**462,724,423**	426,682,025
Other floating rate certificates	**117,190,500**	124,372,500
Membership capital share accounts	**28,596,065**	28,172,520
Member paid-in capital	**5,831,969**	8,943,000
Indexed amortizing certificates	**438,147**	1,738,497
Community Investment Fund	**10,455,000**	10,300,000
	670,936,255	792,116,643
Share and share certificates of other financial institutions	**1,298,000**	999,000
	$ 672,234,255	793,115,643

The amounts maintained at U.S. Central (including Federal funds sold) exceeded the Federally-insured limits at December 31, 2008 and 2007. MCCU is required to maintain the capital share balance on deposit with U.S. Central in accordance with the terms of its agreement therewith. Such membership capital shares are subordinate to other member shares, certificates and liabilities and can only be withdrawn after giving U.S. Central three years written notice.

During the years ended December 31, 2008 and 2007, interest-earning deposits in financial institutions accounts earned a weighted average yield of 3.90% and 5.17%, respectively. At December 31, 2008 and 2007, excluding Membership Capital Share Accounts and Paid-in Capital at U.S. Central, the weighted average maturity of MCCU's interest-earning deposits in financial institutions was 12.6 and 11.6 months, respectively. The Membership Capital Share Accounts and Paid-in Capital with U.S. Central have no stated maturity.

U.S. Central's Paid-in Capital (PIC) is comprised of two classes, PIC I and PIC II. Both classes have no stated maturity and qualify as equity to U.S. Central under generally accepted accounting principles. PIC I is 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 Membership Capital Share Accounts to PIC II. PIC II is subordinate to all other shares of U.S. Central, and is first to absorb losses in excess of retained earnings.

Under the definitions of membership capital and Paid-in Capital in Part 704.2 of Rules and Regulations of the NCUA (Part 704.2), capital is available to cover losses that exceed 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 are available to cover losses that exceed retained earnings and stating that when there is an accumulated deficit (retained earnings deficit) at a corporate credit union, Paid-in Capital and Membership Capital Share Accounts must 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 below.

In April 2009, with recently announced changes by the Financial Accounting Standards Board regarding requirements for OTTI recognition, U.S. Central was able to reclassify non-credit losses included in previous OTTI charges from accumulated deficit to Accumulated Other Comprehensive Income (AOCI) 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 in 2009 at U.S. Central has resulted in additional depletion of the remainder of PIC I and $25,372,238 of MCCU's membership capital share deposits through November 30, 2009, which has been recorded as an additional write-down in 2009 on MCCU's statement of operations.

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – INVESTMENTS IN HELD-TO-MATURITY DEBT SECURITIES

The amortized cost, gross unrealized gains and losses, and estimated fair value of MCCU's held-to-maturity debt securities at December 31, 2007, comprised entirely of U.S. Government agency securities, were as follows:

Amortized cost	$ 1,477,708
Gross unrealized gains	–
Gross unrealized losses	(175)
Estimated fair values	$ 1,477,533

The weighted average interest rate earned on MCCU's held-to-maturity debt securities was 3.20% for the years ended December 31, 2008 and 2007. At December 31, 2007, the weighted average maturity of MCCU's debt securities was 2.1 months. MCCU's held-to-maturity debt securities were pledged to secure borrowings at December 31, 2007.

NOTE 5 – LOANS RECEIVABLE

The composition of loans receivable from members at December 31, 2008 and 2007 is as follows:

	2008	2007
Fixed term loans, net of participations sold	**$14,500,000**	25,000,000
Line of credit loans	**6,020,896**	4,133,788
Amortizing loans	**1,283,600**	–
	$21,804,496	29,133,788

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 are secured by retail installment sales contracts for new and used automobiles and were paid off in May 2009 in advance of the stated maturity in November 2010. As of December 31, 2008 and 2007, MCCU also had $10,000,000 and $20,500,000, respectively, in fixed term loans with a weighted average interest rate of 4.98% and 5.10%, respectively, and average maturity of two years and five months and two years at December 31, 2008 and 2007, respectively.

Line of credit loans are fully collateralized and are due on demand. Such loans had a weighted average interest rate of 2.25% and 4.50%, at December 31, 2008 and 2007, respectively.

Amortizing loans are fully collateralized and are due in accordance with specified repayment schedules. Such loans had a weighted average interest rate of 3.66% and average maturity of approximately three years at December 31, 2008.

NOTE 6 – BORROWINGS

MCCU maintained an unsecured advised line of credit with U.S. Central totaling $400,000,000 at December 31, 2008. 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 2.50% at December 31, 2008. At December 31, 2008 and 2007, and for any month-end during 2008 or 2007, MCCU had no borrowings outstanding under this line of credit. For the years ended December 31, 2008 and 2007, the weighted average interest paid U.S. Central under this line of credit was 2.26% and 5.42%, respectively, on average balances of $339,751 and $698,630, respectively.

During 2008, MCCU also obtained a $20,000,000 Federal Funds discretionary line of credit with an unaffiliated financial institution as a secondary source of liquidity. At December 31, 2008 and for any month-end during the year, MCCU had no borrowings outstanding under this line of credit. For the year ended December 31, 2008, the weighted average interest rate paid to this unaffiliated financial institution under this line of credit was 2.50% on an average balance of $49,180. On April 3, 2009, MCCU received notification from this unaffiliated financial institution that this line of credit was cancelled.

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – MEMBERS' ACCOUNTS

Members' accounts at December 31, 2008 and 2007 are summarized as follows:

	2008	2007
Daily shares	**$314,690,209**	310,432,592
Share certificates	**471,869,422**	448,790,026
Membership capital share deposits	**26,410,700**	26,378,200
	$812,970,331	785,600,818

In November 2004, MCCU received notification of withdrawal of membership capital shares by a member credit union and has been amortizing those membership capital shares in accordance with NCUA Regulation 704. In November 2007, at the completion of the three-year notice period, MCCU paid out $27,200 in membership capital share deposits. As of December 31, 2008, no unamortized portion of membership capital shares remained. Any amortized portion would be included in membership capital shares but would not be considered qualified capital for regulatory capital computation purposes.

Members' accounts by stated interest rate are as follows at December 31, 2008 and 2007:

	2008	2007
Rate:		
0.00% - 0.99%	**$ 377,565,209**	21,208
1.00% - 1.99%	**41,370,225**	150,000
2.00% - 2.99%	**185,961,190**	5,500,000
3.00% - 3.99%	**128,903,707**	350,051,384
4.00% - 4.99%	**60,724,000**	140,644,347
5.00% - 5.99%	**18,446,000**	289,233,879
	$812,970,331	785,600,818

At December 31, 2008, scheduled maturities of members' share certificates for each of the next five years were as follows:

Year ended December 31:	
2009	$ 330,485,202
2010	51,253,220
2011	53,474,000
2012	8,572,000
2013	28,085,000
	$ 471,869,422

Interest and dividend expense on members' accounts and the weighted average interest rates paid thereon for the years ended December 31, 2008 and 2007 are summarized as follows:

	2008		2007	
	Interest expense	Weighted average rate	Interest expense	Weighted average rate
Daily shares	**$ 6,035,935**	**1.84%**	$ 15,340,854	4.82%
Share certificates	**20,717,828**	**3.32**	23,772,704	5.07
Membership share certificates	**882,056**	**3.34**	1,335,485	5.03
	$ 27,635,819		$ 40,449,043	

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – 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 $39,632 and $36,183 for the years ended December 31, 2008 and 2007, respectively.

Substantially all of MCCU's employees are formally employed by the Credit Union Partnership, Inc. (CUP), 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 employee's compensation during the five highest paid years of employment. MCCU made contributions to the MCUA pension plan totaling $60,202 and $46,644 for the years ended December 31, 2008 and 2007, 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 $18,396 and $16,250 for the years ended December 31, 2008 and 2007, respectively.

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, may engage 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.

MCCU and MCUA are related parties through certain common directors. 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 2008 and 2007 were $457,718 and $442,485, respectively.

At December 31, 2008 and 2007, MCCU had amounts payable to MCUA under the support services agreement of $225 and $62,421, respectively, which were included in accrued expenses and other liabilities on the statements of financial position.

MCUA maintains cash deposits and investments at MCCU. During 2008 and 2007, MCCU recorded interest and dividend expense of $140,543 and $328,355, 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, 2008 and 2007, MCCU had no committed lines of credit outstanding, and had unused advised lines of credit totaling $812,736,613 and $740,592,222, 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 (2.15% for regular members and 2.65% for associate members at December 31, 2008 and 4.50% at December 31, 2007). These advised lines of credit involve, to varying degrees, elements of credit risk in excess of the amounts recognized in the statements of financial position.

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

NOTES TO FINANCIAL STATEMENTS

without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. MCCU 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, 2008 and 2007 are as follows. Such fair value estimates were based on pertinent information available to management as of December 31, 2008 and 2007. 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.

	2008		2007		
	Carrying Amount	**Estimated Fair Value**	Carrying Amount	Estimated Fair Value	Fair Value Measurements
Assets					
Cash on hand and in banks	**$ 1,826,217**	**1,826,217**	2,334,919	2,334,919	Carrying amount
Uncollected cash items	**28,250,078**	**28,250,078**	22,422,306	22,422,306	Carrying amount
Federal funds sold	**148,043,729**	**148,043,729**	–	–	Carrying amount
Interest-earning deposits in financial institutions	**672,234,255**	**675,670,231**	793,115,643	794,307,597	Level 3 inputs
Investments in held-to-maturity debt securities	**–**	**–**	1,477,708	1,477,533	Level 1 inputs
Loans receivable	**21,804,496**	**22,375,696**	29,133,788	29,974,659	Level 3 inputs
Accrued interest receivable	**3,256,902**	**3,256,902**	7,779,516	7,779,516	Carrying amount
NCUSIF deposit	**216,222**	**216,222**	240,090	240,090	Carrying amount
Other investments	**181,094**	**200,272**	181,094	170,378	Level 2 inputs
	$875,812,993	**879,839,347**	856,685,064	858,706,998	
Liabilities					
Members' accounts	**$812,970,331**	**817,312,638**	785,600,818	786,548,970	Level 3 inputs
Deposits in collection	**28,280,469**	**28,280,469**	23,181,444	23,181,444	Carrying amount
Accrued interest and dividends payable	**3,401,450**	**3,401,450**	8,123,068	8,123,068	Carrying amount
	$844,652,250	**848,994,557**	816,905,330	817,853,482	

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:

Fair Value Input Types

Fair values are calculated using one or more input types, as follows: Level 1 – quoted prices in active markets for identical assets or liabilities; Level 2 – significant other observable inputs; or Level 3 – significant unobservable inputs. Where more than one level of inputs are used for a class of financial instruments, the lowest level of inputs used is disclosed in the above table.

Cash and Other Short-Term Instruments

For cash on hand and in banks, uncollected cash items, Federal funds sold, 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.

NOTES TO FINANCIAL STATEMENTS

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.

Other Investments

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

Loans

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 the next three months or with interest rates that reset to market rates at least quarterly are estimated to approximate the carrying value of such accounts. The fair value of share and certificate accounts with maturities greater than three months are 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 "base line" corporate credit union under NCUA regulations. As a base line 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 (DANA). The Core Capital Ratio is defined as retained earnings and paid-in capital divided by the 12-month DANA. The earning 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, 2008 and 2007, MCCU's Retained Earnings Ratio was 2.35% and 3.40%, respectively, and its Core Capital Ratio was 3.41% and 4.50%, respectively. At October 31, 2009, after the additional 2009 writedowns discussed in Note 3, MCCU had a Retained Earnings Ratio of 0.00% and Core Capital Ratio of 0.06%.

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 6.24% and 6.88%, at December 31, 2008 and 2007,

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respectively. At October 31, 2009, after the additional 2009 writedowns discussed in Note 3, MCCU's Net Economic Value Ratio was 3.07%.

Regulation 704 defines the Total Capital Ratio as the total of regular reserves, undivided earnings, and paid-in capital, divided by the 12-month DANA, and requires a minimum of 4.00%. MCCU's Total Capital Ratio at December 31, 2008 and 2007 was 6.30% and 7.47%, respectively. At November 30, 2009, after the additional 2009 writedowns discussed in Note 3, MCCU's Total Capital Ratio was 2.87%. Accordingly, while MCCU was in compliance with all minimum regulatory capital requirements to which it was subject as of December 31, 2008 and 2007, MCCU was not in compliance with the minimum regulatory capital requirements at October 31, 2009, but still maintained a positive capital structure, unlike certain of the other corporate credit unions in the United States. On November 19, 2009, NCUA proposed 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.

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