

membership report

March 2024



Millennium
CORPORATE CREDIT UNION

content

- **Financial Commentary**
 - Total Managed Assets – On- and Off-Balance Sheet
 - 2024 Actual/Budget Variance - Dollars
 - 2024 Actual/Budget Variance – Basis Points
- **Liquidity Summary**
 - Historical Member Overnight Deposits
 - 2024 Average Monthly Member Borrowings
- **Interest Rate Risk/Net Economic Value Report – January 2024**
- **Capital Commentary**
- **Board Meeting Recap**
- **Events Calendar – April 2024**

financial commentary

Net income for February was \$731,954, above budget by \$5,525 or 0.8% for the month. Net interest income was \$29,572 or 2.3% below budget due to the higher average assets than budgeted which resulted in more investments in cash and overnight investments for the month. Non-interest income was higher than budget by \$7,155 or 1.2% due primarily to credit reviews that occurred in February and higher financial services income. Operating expenses were lower than budget by \$26,436 or 3.0%, due to lower item processing and office operations expenses. CUSO income was higher than budget by \$1,506 or 50.2%. PCC dividends were right at budget. The year-to-date coverage ratio (fee income/operating expenses) is 68.2%, higher than our goal of 64.9%.

Return on Assets (ROA) started the year better than budgeted as the year-to-date ROA after February is 76.6 bps on average assets of \$1,151.9 million, on an actual/366 basis.

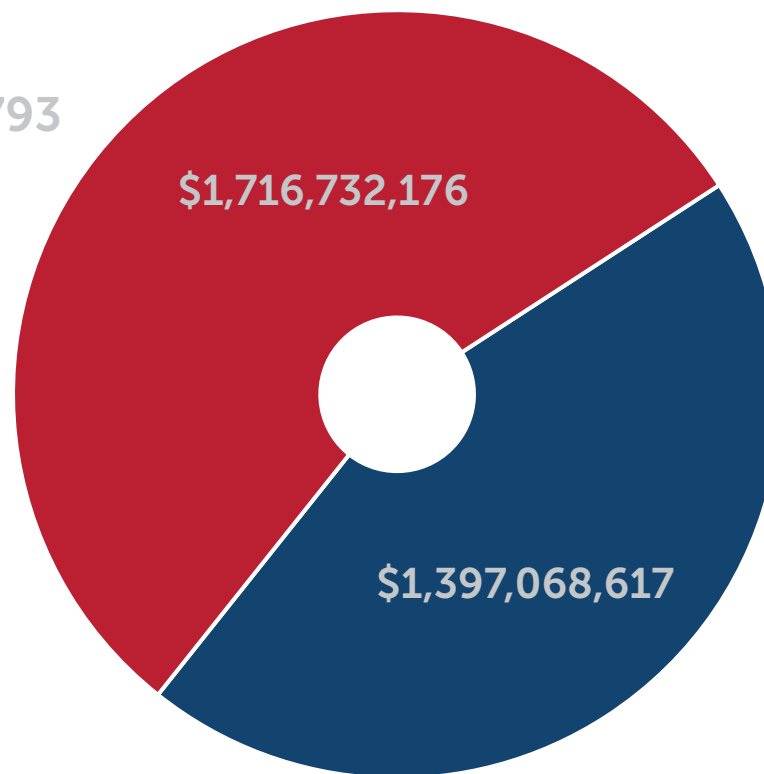
Millennium's daily average net assets (DANA) for the previous 12-month period, which is used for the calculation of our capital ratios, was \$956.8 million at the end of February, an increase of \$32.4 million or 3.5% from the previous month.

Millennium is defined as "**Well Capitalized**", and we ended the month with Retained Earnings of \$79,211,407, representing a Retained Earnings ratio of 8.28% and a Tier 1 ratio of 13.68%.

total assets | on- and off-balance sheet

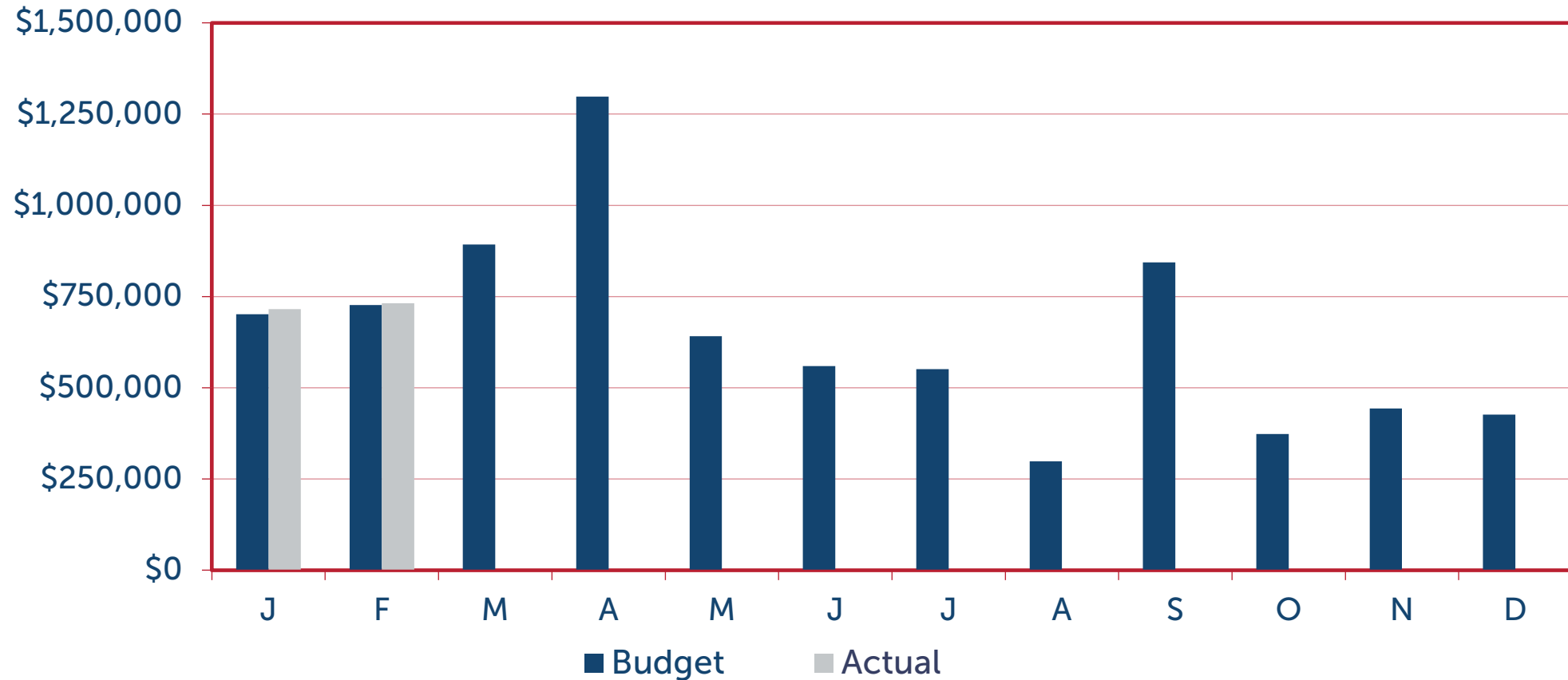
February 2024

Total Managed Assets - \$3,113,800,793



■ On-Balance Sheet ■ Off-Balance Sheet

2024 budget/actual net income



YTD actual/budget variance | dollars

February 2024 YTD	Actual	Budget	Variance
Net Interest Income	\$2,584,186	\$2,595,605	(\$11,419)
+ Non-Interest Income	\$1,207,322	\$1,209,561	(\$2,239)
- Operating Expenses	\$1,770,676	\$1,802,582	+ \$31,906
= Net Operating Income	\$2,020,832	\$2,002,584	+ \$18,248
+ CUSO Losses	\$7,106	\$5,600	+ \$1,506
- PCC Dividends	\$580,436	\$580,436	\$0
+ USC Estate (Net Gain)	\$0	\$0	\$0
= Net Income	\$1,447,502	\$1,427,748	+ \$19,754

YTD actual/budget variance | bps (Act/366)

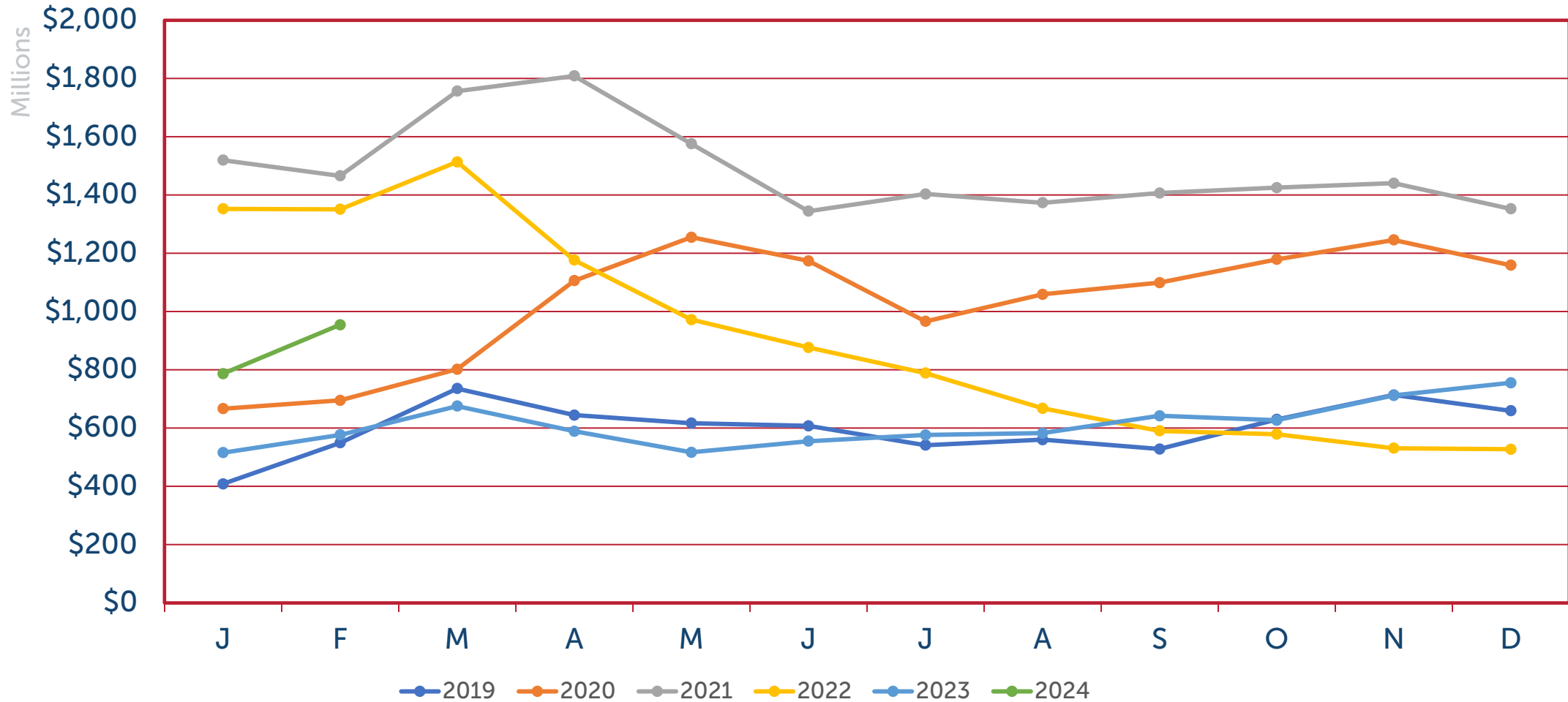
February 2024 YTD	Actual	Budget	Variance
Net Interest Income	136.8 bps	144.1 bps	(7.3 bps)
+ Non-Interest Income	63.9 bps	67.2 bps	(3.3 bps)
- Operating Expenses	93.8 bps	100.1 bps	+ 6.3 bps
= Net Operating Income	106.9 bps	111.2 bps	(4.3 bps)
+ CUSO Gains/Losses	0.4 bps	0.3 bps	+ 0.1 bps
- PCC Dividends	30.8 bps	32.2 bps	+ 1.4 bps
+ USC Estate (Net Gain)	0.0 bps	0.0 bps	0.0 bps
= Net Income	76.6 bps	79.3 bps	(2.7 bps)
Average Assets	\$1,151.9 M	\$1,098.3 M	+ 53.6 M

liquidity commentary

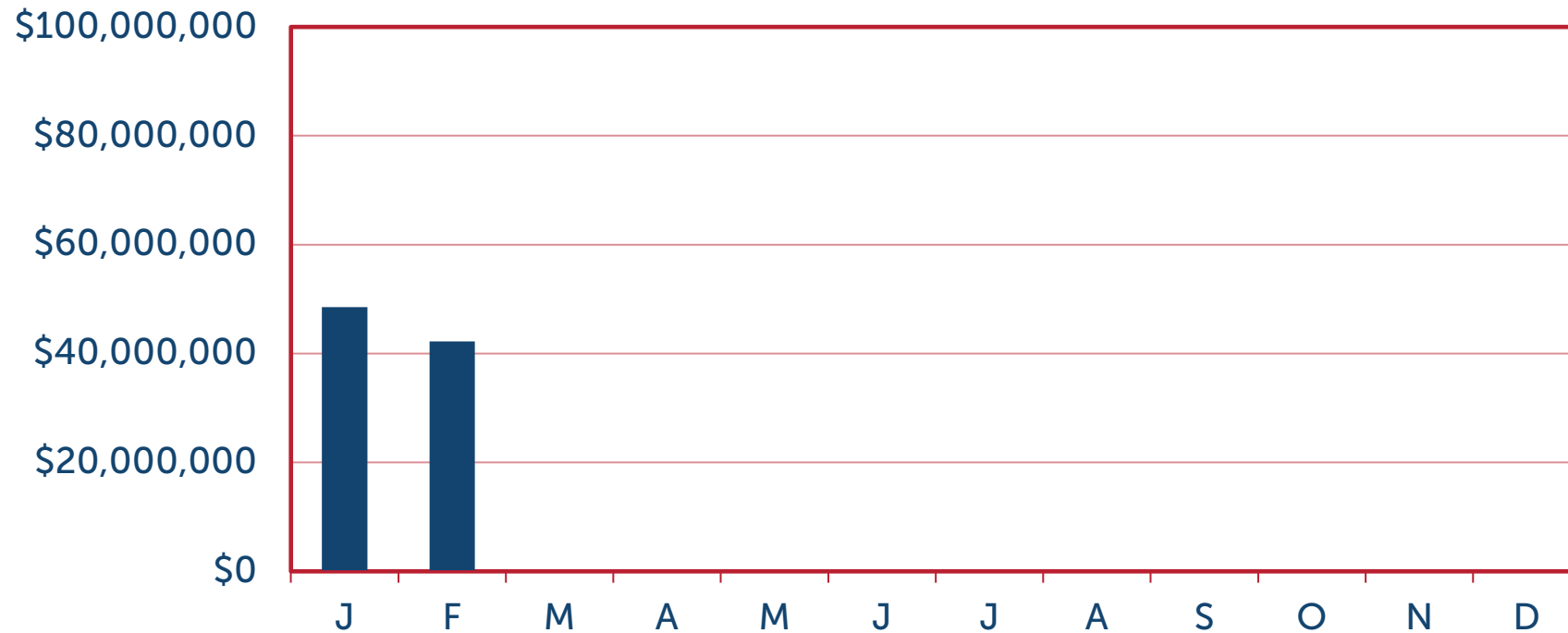
Except for the four days over year-end, Millennium Corporate did not access the FHLB LOC or the FRB LOC in November, December, January, February, and month-to-date in March. Millennium currently has a collateralized LOC of \$423.5 million with FHLB and a collateralized LOC of \$80.4 million with the Federal Reserve Bank of Kansas City.

- Millennium's liquidity options remain sufficient to meet member needs
- February 2024 month-end figures show SimpliCD issuance, which provides members access to additional liquidity, is at a total of \$155.7 million with 21 member users.
- Average member loan balances are provided below-
 - September 2023 - \$73.5 million
 - October 2023 - \$64.7 million
 - November 2023 - \$53.8 million
 - December 2023 - \$56.4 million
 - January 2024 - \$48.5 million
 - February 2024 - \$42.2 million
 - March (to date) - \$29.9 million

historical member overnight deposits



2024 average monthly member borrowings



IRR | net economic value (NEV)

NEV Testing Results January 2024						
	Net Economic Value (NEV)	NEV Dollar Change	NEV Percentage Change	NEV Ratio	Reg. Limits	Pass/Fail
-300 bps Increase in Interest Rates	\$122,658,568	+ \$2,303,981	+ 1.91%	10.88%	Minimum Ratio – 2%	PASS
					Max % Change – (15%)	PASS
Base Case	\$120,354,587	-	-	10.75%	Minimum Ratio – 2%	PASS
+300 bps Increase in Interest Rates	\$115,433,495	(\$4,921,092)	(4.09%)	10.41%	Minimum Ratio – 2%	PASS
					Max % Change – (15%)	PASS

Millennium Corporate passes both the required minimum NEV ratio and the maximum change limitation in the +300 rate shock scenario.

capital commentary

- Increase to Retained Earnings during the past 12 months, through February 2024, is \$17,981,017.
- Retained Earnings ratio is 8.278% as of February 2024 versus 5.419%, one year ago
- Millennium is categorized as “**Well Capitalized**”.
- Listed below are the capital ratios of the corporate credit union regulation, Millennium’s February 2024 capital ratios, and the minimum regulatory requirement of each (where applicable).

Ratio	February 2024	Minimum Requirement
Retained Earnings	8.28%	0.45%
Tier 1 Capital	13.68%	4.00%
Tier 1 Risk-Based Capital	98.60%	4.00%
Total Risk-Based Capital	98.60%	8.00%
GAAP Capital	14.00%	

board meeting recap

Board of Director's Meeting | March 28, 2024

- Approved the Consent Agenda which included: prior meeting minutes; ALCO report; CC report; SC report; ERM report; and the Nominating Committee Minutes
- Approved February 2024 Financial Statements
- Approved January 2024 Net Economic Value (NEV) Reports
- Received updates on the following initiatives from management-
 - Discussion regarding liquidity trends amongst Millennium membership
 - Discussed communication from the Liquidating Agent for the USC Estate notifying us that we will not receive a distribution from the USC Estate this spring and they will evaluate the situation after the mid-year 2024 financials are completed and will provide further information at that time
 - Update on Millennium's "System Modernization Project" and most recent rebate for item processing users
 - Update on the Corporate Alliance activities including an April meeting with new NCUA Board member, ONES Director and the CLF President
 - Update on FedNow activities over the past month
 - Discussed advocacy opportunities with our association partners in March and April
 - Welcomed two new members (NE member - \$10.1 million in assets, and ND member -\$62.2 million in assets)
 - Reviewed and discussed the 2024 Annual Meeting agenda, networking activities and speakers

board meeting recap

New Business | March 28, 2024

- Kevin Grund of J. Tenbrink & Associates met with the Board to review the results of the Independent Auditors' Report on the audit of Millennium's 2023 financial statements. Mr. Grund presented the Independent Auditors' Report, which includes the attestation on *Internal Controls Over Financial Reporting* and the *Management Letter*. As in prior years, Millennium received a qualified opinion due solely to the classification of Members Shares as Equity. The Board approved the 2023 Annual Audit Report as presented.
- The Board went into Executive Session to have an update on the search committee and address any other items.

events calendar

April 2024

- 2/4-Tuesday-Wednesday | MCU Take the Lead - Helena, MT
- 2/5-Tuesday-Thursday | Cornerstone Impact 2024 & Annual Meeting - Kansas City, MO
- 9-Tuesday | Weekly FedNow – Juniper Payments & Millennium Corporate Meeting
- 10-Wednesday | Federal Reserve Bank/Millennium Corporate Monthly Touchpoint Meeting
- 22-Monday | Millennium Corporate ALCO Meeting
- 23-Wednesday | Weekly FedNow – Juniper Payments & Millennium Corporate Meeting
- 23-Wednesday | Primary Financial Company Annual Meeting
- 24/26-Wednesday-Friday | Millennium Corporate Annual Meeting – Kansas City, MO
- 26-Friday | Millennium Corporate Board Meeting
- 29-Monday | Millennium Corporate Supervisory Committee Meeting
- 30-Tuesday | Weekly FedNow – Juniper Payments & Millennium Corporate Meeting