



Membership Report | June 2017

Agenda

- Financial Commentary
 - 2017 Budget/Actual Net Income
 - Actual/Budget Variance
 - Total Managed Assets – On- & Off-Balance Sheet
- Liquidity Commentary
 - Historical Member Overnight Deposits
 - 2017 Average Monthly Member Borrowings
- Capital Commentary
- Interest Rate Risk/Net Economic Value Report – April 2017
- Board Meeting Recap
- Calendar of Events | July 2017



Financial Commentary

Net Income for May was \$250,533, above budget by \$45,364 or 22.1% for the month. Net interest income was higher than budget due to higher return on assets. Non-interest income was higher for all areas. Operating expenses were \$9,711 and 1.9% higher than budget, primarily due to financial services, conferences, promotions and advertising. CUSO gain is higher than budget. PCC dividends were right on budget. The year-to-date coverage ratio (fee income/operating expenses) is 81.3% which exceeds the 2017 goal of 75.2%.

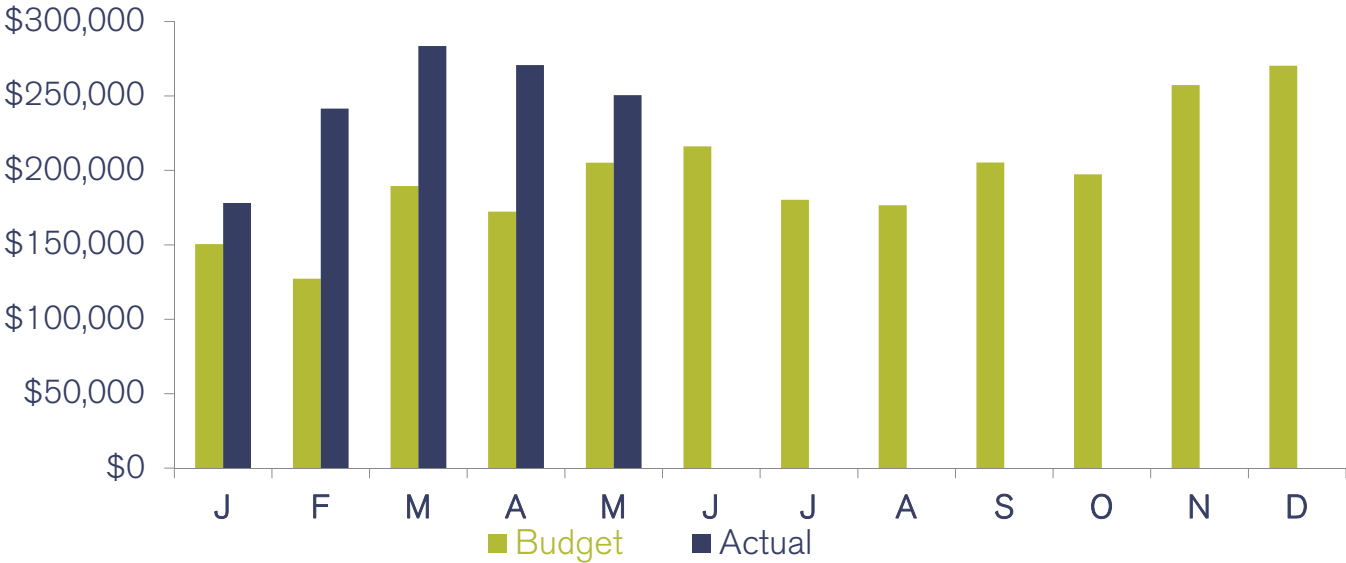
Return on Assets (ROA) has remained strong as the year-to-date ROA after five months is 43.4 bps on average assets of \$676.8 million.

Millennium Corporate's daily average net assets (DANA) for the previous 12-month period – which is used for the calculation of our capital ratios – was \$642.1 million at the end of May, a decrease of \$3.1 million from the previous month.

Millennium Corporate exceeds the minimum for all capital ratios under the regulation and ended the month with Retained Earnings of \$11,007,293 representing a Retained Earnings ratio of 1.71% and a Tier 1 ratio of 4.95%.



2017 Budget/Actual Net Income



YTD Actual/Budget Variance

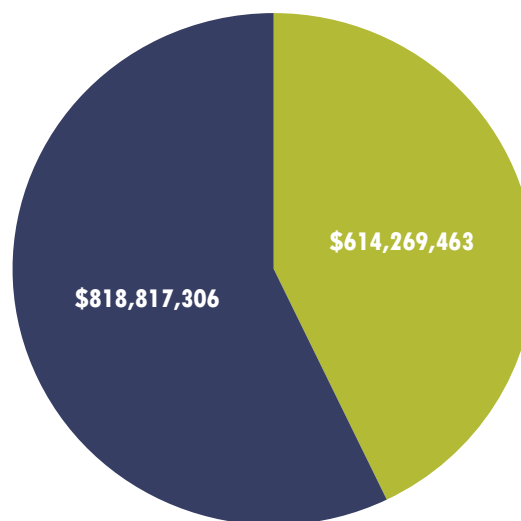
May 2017 YTD <i>(In Thousands)</i>	Actual 2017	Budget 2017	Variance
Net Interest Income	\$1,846.0	\$1,667.4	\$178.6
+ Fee Income	\$2,025.9	\$1,871.8	\$154.0
- Operating Expenses	\$2,493.1	\$2,493.3	\$0.2
= Net Operating Income	\$1,378.8	\$1,045.9	\$332.8
+ CUSO Gains/Losses	\$47.8	\$34.6	\$13.2
- NCUSIF Premium	\$0.0	\$0.0	\$0.0
- PCC Dividends	\$202.2	\$235.7	\$33.5
+ Other Gains/Losses	\$0.0	\$0.0	\$0.0
= Net Income	\$1,224.4	\$844.8	\$379.6



Total Assets | On- and Off-Balance Sheet

May 2017

Total Managed Assets - \$1,433,086,769



■ On-Balance Sheet ■ Off-Balance Sheet*



Liquidity Commentary

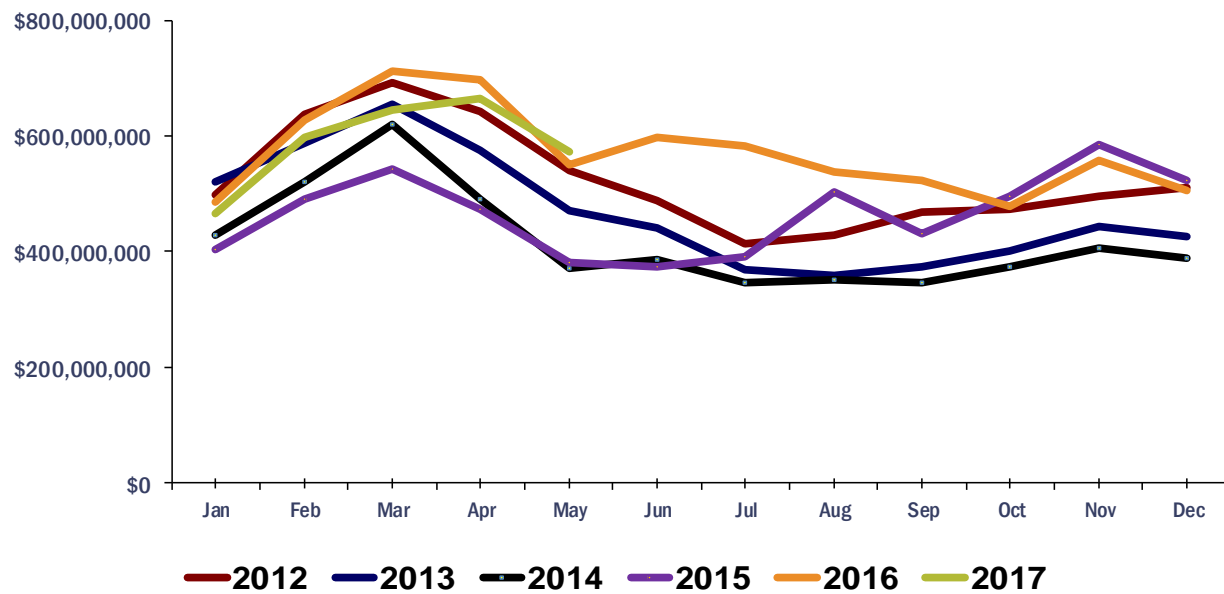
Millennium Corporate did not access our FHLB Line-of-Credit (LOC) in May 2017. Millennium Corporate currently has a Collateralized LOC of \$179.3 Million with the FHLB.

- Millennium's liquidity options remain sufficient to meet member needs.
- Average member credit union daily loan balances increased slightly in May. In June, we have seen a significant increase in loans outstanding, which is a historical trend at this time of the year. Loan balances averaged \$13.5 million in April; \$15.3 million in May; and have averaged \$23.7 million for most of June.
- May month-end figures show SimpliCD issuance totals of \$131.0 Million.

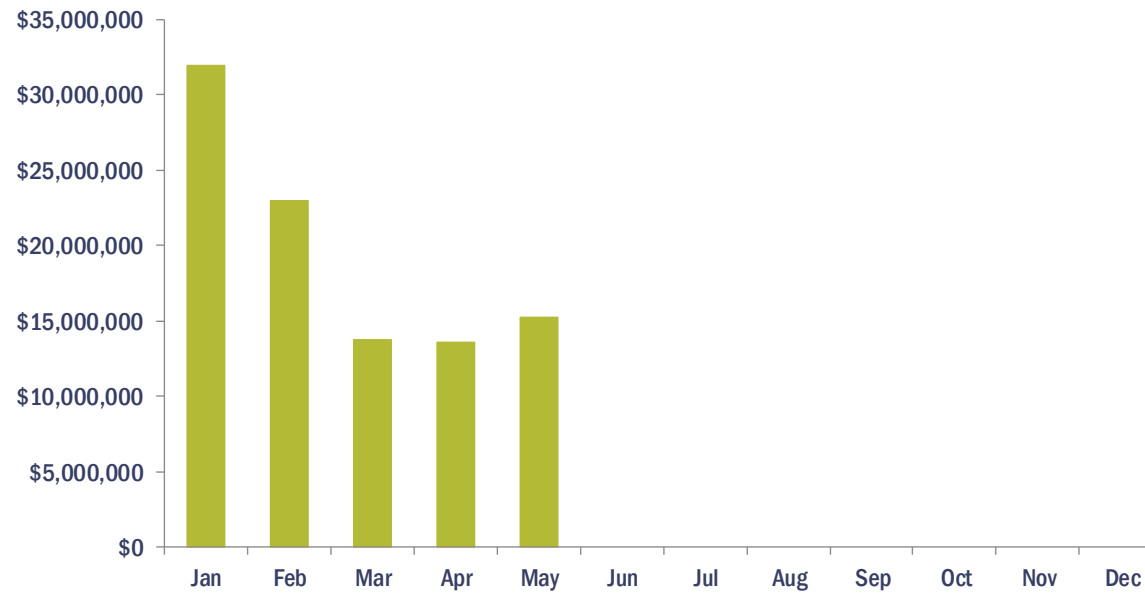
Graphical representations of the seasonal activity of member overnight deposits since 2012, and average member borrowing activity for 2017 follow this commentary.



Historical Member Overnight Deposits



2017 Average Monthly Member Borrowings



IRR | Net Economic Value (NEV)

NEV Testing Results April 2017						
	Net Economic Value (NEV)	NEV Dollar Change	NEV Percentage Change	NEV Ratio	Reg. Limits	Pass/Fail
Base Case	\$65,436,538	-	-	8.58%	Minimum Ratio - 2%	PASS
+300 bps Increase in Interest Rates	\$64,111,487	(\$1,325,051)	(2.03%)	8.43%	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 scenarios.



Capital Commentary

- Increase to Retained Earnings during the past 12 months, through May 2017, is \$2,449,141
- Retained Earnings ratio is 1.71% as of May 2017 versus 1.33%, one year ago
- The phased 6-year capital regulatory requirements became effective October 20, 2016, and Millennium Corporate exceeds all capital requirements – the Tier 1 Capital ratio is 4.95%. The next and final phased capital requirement becomes effective October 2020.
- Listed below are the capital ratios of the corporate credit union regulation, Millennium Corporate's April 2017 capital ratios, and the minimum regulatory requirement of each (where applicable).
 - Retained Earnings Ratio – 1.71% | Minimum requirement – 1.00%
 - Tier 1 Capital Ratio – 4.95% | Minimum Requirement – 4.00%
 - Tier 1 Risk-Based Capital Ratio – 36.0% | Minimum Requirement – 4.00%
 - Total Risk-Based Capital Ratio – 74.2% | Minimum Requirement – 8.00%
 - GAAP Capital – 10.15%



Board Meeting Recap

Board of Director's Meeting – June 23, 2017

- Approved May 2017 Financial Statements & Committee Reports
- Approved April 2017 Net Economic Value (NEV) Reports
- Approved Millennium's Liquidity Plan
- Approved a minor revision to our Bank Secrecy Act Policy
- Kip Poe, VP-Information & Technology, presented the Millennium Security Program Board Report
- Received updates on the following initiatives from management..
 - Sponsorship of Foundation Bash – Heartland Credit Union Charitable Foundation
 - Nebraska CU League annual meeting activities and Millennium's involvement
 - Regulatory communications – Kansas CU Council meeting; upcoming exam schedule & proposed rule change to Part 704 which governs corporate CUs
 - Lilia Rochel has joined our team as a Marketing/Business Development Representative



July 2017

Calendar of Events



Monday	Tuesday	Wednesday	Thursday	Friday
3	4 Independence Day – Millennium Offices Closed	5	6	7
10	11	12	13	14
17 Millennium Supervisory Committee Meeting	18	19	20	21
24	25	26	27 Millennium Credit Committee Meeting	28 Millennium Board & ALCO Meetings
31	1	2	3	4