Financial Commentary
  ▪ 2019 Budget/Actual Net Income
  ▪ Actual/Budget Variance
  ▪ Total Managed Assets – On- & Off-Balance Sheet

Liquidity Commentary
  ▪ Historical Member Overnight Deposits
  ▪ 2019 Average Monthly Member Borrowings

Interest Rate Risk/Net Economic Value Report – December 2018

Capital Commentary

Board Meeting Recap

Supervisory Committee Meeting

Credit Committee Meeting

Calendar of Events – March 2019
Net Income for January was $275,092, above budget by $66,094 or 31.6% for the month. Net interest income was $63,467 or 12.7% higher than budget due to the higher yield on our investments, higher loan rate and higher balances. Non-interest income was above budget $1,907 or 0.5% due to higher commission income. Operating expenses were slightly lower than budget - $722 or 0.1%. CUSO income, other gains/losses and PCC dividends were all in line with expectations. The year-to-date coverage ratio (fee income/operating expenses) is 71.3% which is lower than the goal of 71.7%.

Return on Assets (ROA) for the month was 61.3 bps on average assets of $539.9 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 $591.4 million at the end of January, an increase of $0.5 million from the previous month.

Millennium Corporate is defined as “Well Capitalized” and we ended the month with Retained Earnings of $16,778,023, representing a Retained Earnings ratio of 2.84% and a Tier 1 ratio of 11.53%.
2019 Budget/Actual Net Income

![Bar Chart showing budget and actual net income for 2019, with the budget indicated by green bars and actual by darker bars.](image-url)
## YTD Actual/Budget Variance

<table>
<thead>
<tr>
<th>January 2019</th>
<th>YTD (In Thousands)</th>
<th>Actual 2019</th>
<th>Budget 2019</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Interest Income</td>
<td>$563.6</td>
<td>$500.1</td>
<td>$63.5</td>
<td></td>
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<tr>
<td>+ Non-Interest Income</td>
<td>$389.4</td>
<td>$387.5</td>
<td>$1.9</td>
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<tr>
<td>- Operating Expenses</td>
<td>$546.1</td>
<td>$546.8</td>
<td>$0.7</td>
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<tr>
<td>= Net Operating Income</td>
<td>$406.9</td>
<td>$340.8</td>
<td>$66.1</td>
<td></td>
</tr>
<tr>
<td>+ CUSO Gains/Losses</td>
<td>$9.5</td>
<td>$9.5</td>
<td>$0.0</td>
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<tr>
<td>- Potential Rebates</td>
<td>$12.5</td>
<td>$12.5</td>
<td>$0.0</td>
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<tr>
<td>- PCC Dividends</td>
<td>$128.9</td>
<td>$128.9</td>
<td>$0.0</td>
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<tr>
<td>+ Other Gains/Losses</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
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<tr>
<td>= Net Income</td>
<td>$275.1</td>
<td>$209.0</td>
<td>$66.1</td>
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</tbody>
</table>
Total Assets | On- and Off-Balance Sheet

January 2019
Total Managed Assets - $1,310,034,420

$774,153,079
$535,881,341

On-Balance Sheet  Off-Balance Sheet*
Liquidity Commentary

Millennium Corporate accessed our FHLB Line-of-Credit (LOC) multiple times in January 2019. Millennium Corporate currently has a Collateralized LOC of $182.0 Million with the FHLB.

- Millennium’s liquidity options remain sufficient to meet member needs.
- Average member credit union daily loan balances have remained high. For January 2019, loans averaged $55.4 million and for most of February 2019 loans have averaged $40.2 million.
- January 2019 month-end figures show SimpliCD issuance totals of $173.6 million and 24 users of this liquidity option.
- In January, Millennium members sold $3.6 million in loans and purchased $0.5 million via LoanStreet.

Graphical representations of the seasonal activity of member overnight deposits since 2014, and average member borrowing activity for 2019 follow this commentary.
Historical Member Overnight Deposits

![Graph showing historical member overnight deposits from 2014 to 2019, with peaks and troughs across different months for each year.]
2019 Average Monthly Member Borrowings
### NEV Testing Results | December 2018

<table>
<thead>
<tr>
<th></th>
<th>Net Economic Value (NEV)</th>
<th>NEV Dollar Change</th>
<th>NEV Percentage Change</th>
<th>NEV Ratio</th>
<th>Reg. Limits</th>
<th>Pass/Fail</th>
</tr>
</thead>
<tbody>
<tr>
<td>-300 bps Increase in Interest Rates</td>
<td>$71,326,723</td>
<td>+ $223,283</td>
<td>+ 0.31%</td>
<td>11.82%</td>
<td>Minimum Ratio – 2%</td>
<td>PASS</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td>Max % Change – (15%)</td>
<td>PASS</td>
</tr>
<tr>
<td>Base Case</td>
<td>$71,103,440</td>
<td>-</td>
<td>-</td>
<td>11.79%</td>
<td>Minimum Ratio – 2%</td>
<td>PASS</td>
</tr>
<tr>
<td>+300 bps Increase in Interest Rates</td>
<td>$70,175,800</td>
<td>($927,640)</td>
<td>(1.31%)</td>
<td>11.66%</td>
<td>Minimum Ratio – 2%</td>
<td>PASS</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Max % Change – (15%)</td>
<td>PASS</td>
</tr>
</tbody>
</table>

Millennium Corporate passes both the required minimum NEV ratio and the maximum change limitation in the +300 rate shock scenarios.
Increase to Retained Earnings during the past 12 months, through January 2019, is $3,655,515

Retained Earnings ratio is 2.84% as of January 2019 versus 2.13%, one year ago

Listed below are the capital ratios of the corporate credit union regulation, Millennium Corporate’s January 2019 capital ratios, and the minimum regulatory requirement of each (where applicable).
- Retained Earnings Ratio – 2.84% | Minimum requirement – 1.00%
- Tier 1 Capital Ratio – 11.53% | Minimum Requirement – 4.00%
- Tier 1 Risk-Based Capital Ratio – 86.83% | Minimum Requirement – 4.00%
- Total Risk-Based Capital Ratio – 86.83% | Minimum Requirement – 8.00%
- GAAP Capital – 12.00%
Board Meeting Recap

Board of Director's Meeting – February 21, 2019

- Approved January 2019 Financial Statements & Committee Reports
- Approved December 2018 Net Economic Value (NEV) Reports
- Received updates on the following initiatives from management...
  - Correspondence regarding the NCUA’s Office of National Examinations and Supervision (ONES) new continuous monitoring and supervision program
  - Attended KDCU Council meeting and provided report on Millennium activities
  - Participated in the “Day at the Capitol” in KS, MO and NE
  - Tenbrink & Associates on-site for week to complete the year-end financial audit
  - Sponsored & participated in the MonDak (MT & Dakota’s) Roundtable & St. Louis Chapter meeting
  - Reviewed December 2018 corporate call report data
  - Millennium members sold $3.6 million in loans and purchased $0.5 million via LoanStreet
  - Preparations for Millennium's Annual Meeting to be held in Kansas City on April 24th & 25th
  - February PCC rate will be 2.85% - 0.45% higher than the current fed funds effective
Board Meeting Recap

Board of Director's Meeting – February 21, 2019

- Board appointed the Millennium Compliance Officer as the individual responsible for managing BSA/OFAC compliance for 2019 and appointed the Controller as the alternate for BSA/OFAC compliance.
Reviewed the financial results of our CUSO investments...

- Primary Financial Company, LLC (SimpliCD) had net income of $685,688 for 2018. The company has total equity of $20.2 million, representing an equity ratio of 43.1% as of December 2018. Millennium’s current ownership percentage is 12.0%. Millennium ended December with outstanding SimpliCD balances of $523.8 million and SimpliCD issuance of $165.0 million, an option used by Millennium members to generate additional liquidity.

- CU Business Group, LLC (CUBG) had net income of $200,852 for 2018. Total equity is $2.6 million representing an equity ratio of 72.2% as of December 2018. Millennium sponsored a CUBG webinar regarding their new Fast Track small business loans. Currently, twenty-seven Millennium members utilize CUBG services. Millennium’s current ownership percentage is 4.41%.

- CU Investment Solutions, LLC (ISI) year-to-date income reflects a net loss of $175,276. ISI’s fiscal year runs from October 2018 through September 2019. Continued strong loan growth by credit unions has negatively impacted investment activity. As of December 2018, ISI had retained earnings of $145,310, reflecting an equity ratio of 10.2%. Millennium’s current ownership percentage is 25.0%.

- CULedger Heartland, LLC – initial investment was made in December 2018 and Millennium’s total investment was $19,731 representing ownership of 7.69%.
Supervisory Committee Recap

Supervisory Committee Meeting – February 11, 2019

- Committee reviewed the Authority Level Review Internal Audit, the Wire Transfer Procedure Internal Audit and the Remote Access Internal Audit
- Committee was updated on the progress of the annual financial statement audit, which is being completed by J. Tenbrink and Associates
- Reviewed the status of the items on Millennium's matrix report of all issues or recommendations from regulatory examinations; internal and external audits; and internal risk assessments. All items are being addressed within adequate timeframes.
- Reviewed BSA monitoring reports since last meeting
- Next meeting – April 15, 2019
Credit Committee Meeting – February 13, 2019

- The Committee reviewed and approved 49 lines-of-credit
- Committee reviewed the Monitor Report
- Canceled two lines-of-credit due to mergers
- Current Advised LOC status – 251 Lines/$791.4 million
- Next meeting – May 15, 2019
<table>
<thead>
<tr>
<th>Monday</th>
<th>Tuesday</th>
<th>Wednesday</th>
<th>Thursday</th>
<th>Friday</th>
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<tr>
<td>4</td>
<td>MCU Take the Lead – Leadership Program Great Falls, MT</td>
<td>MCU Take the Lead – Leadership Program Great Falls, MT</td>
<td>MCU Take the Lead – Leadership Program Great Falls, MT</td>
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<td>CUNA GAC</td>
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<td>Washington DC</td>
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<td>18</td>
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<td>Millennium Corporate ALCO &amp; Board Meetings</td>
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<td>2019 Annual Meeting Hotel Block Expires – March 23!</td>
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<td>25</td>
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<td>Regional Small CU Roundtable – Wichita, KS</td>
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