



Membership Report | May 2020

Agenda

- Financial Commentary
 - 2020 Budget/Actual Net Income
 - Actual/Budget Variance
 - Total Managed Assets – On- & Off-Balance Sheet
- Liquidity Commentary
 - Historical Member Overnight Deposits
 - 2020 Average Monthly Member Borrowings
- Interest Rate Risk/Net Economic Value Report – March 2020
- Capital Commentary
- Board Meeting Recap
- Credit Committee Recap
- Calendar of Events – June 2020



Financial Commentary

Net Income for April was \$281,000, under budget by \$87,080 or 23.7% for the month. Net interest income was \$258,114 or 39.8% less than budget due to the FOMC actions in mid-March to reduce the target fed funds rate in reaction to the COVID-19 virus. Non-interest income was more than budget by \$84,066 or 22.0% due primarily to higher financial services and commission income. Operating expenses were under budget by \$24,233 or 4.2% due to lower professional services, travel, conferences and office operations expenses. CUSO income was lower than budget by \$6,325 or 115.0%. PCC dividends were significantly lower due to the FOMC actions. The year-to-date coverage ratio (fee income/operating expenses) is 80.6%, higher than the goal of 69.1%.

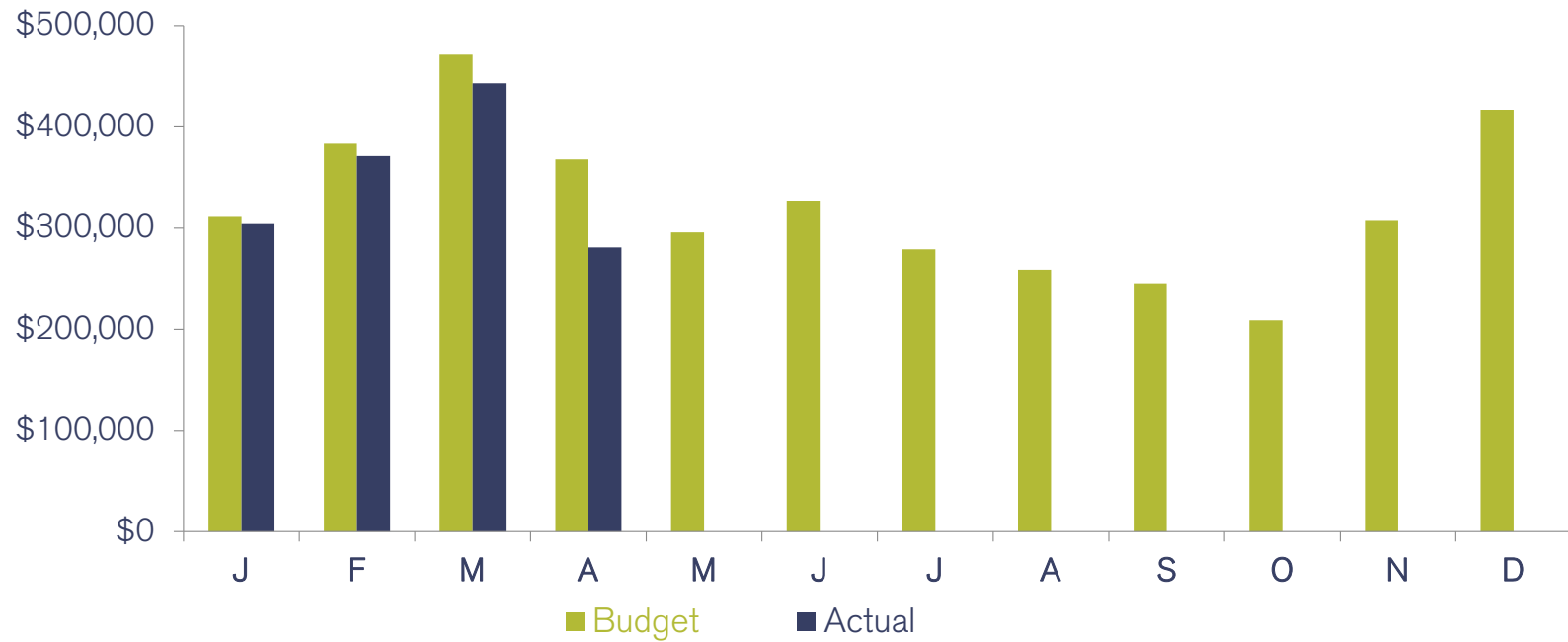
Return on Assets (ROA) will remain lower than budget throughout the year due to the extreme rate reductions in March. The year-to-date ROA after April is 41.0 bps on average assets of \$1,023.7 million.

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 \$841.8 million at the end of April, an increase of \$37.5 million from the previous month.

Millennium Corporate is defined as "Well Capitalized" and we ended the month with Retained Earnings of \$21,665,087, representing a Retained Earnings ratio of 2.57% and a Tier 1 ratio of 8.67%.



2020 Budget/Actual Net Income



YTD Actual/Budget Variance | Dollars

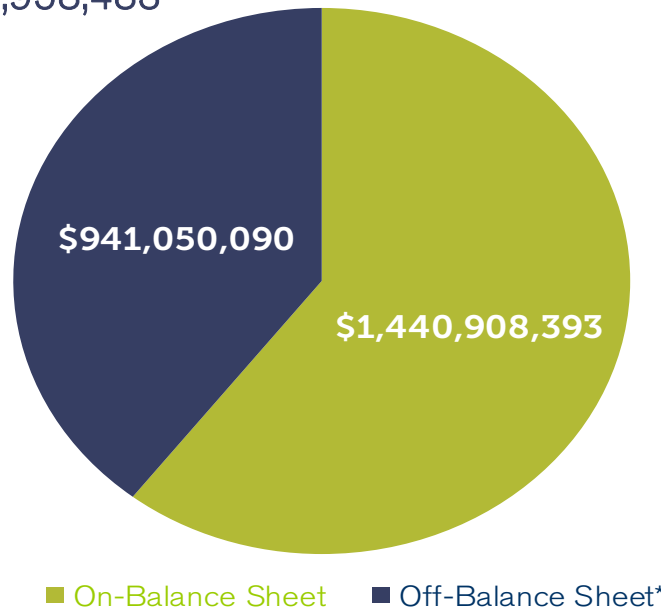
April 2020 YTD <i>(In Thousands)</i>	Actual 2020	Budget 2020	Variance
Net Interest Income	\$2,038.2	\$2,514.6	(\$476.4)
+ Non-Interest Income	\$1,758.3	\$1,632.5	\$125.8
- Operating Expenses	\$2,182.2	\$2,267.9	\$85.7
= Net Operating Income	\$1,614.3	\$1,879.2	(\$264.9)
+ CUSO Gains/Losses	\$12.9	\$23.2	(\$10.3)
- PCC Dividends	\$227.8	\$368.4	\$140.6
+ Other Gains/Losses	\$0.0	\$0.0	\$0.0
= Net Income	\$1,399.4	\$1,534.0	(\$134.6)



Total Assets | On- and Off-Balance Sheet

April 2020

Total Managed Assets - \$2,381,958,483



Liquidity Commentary

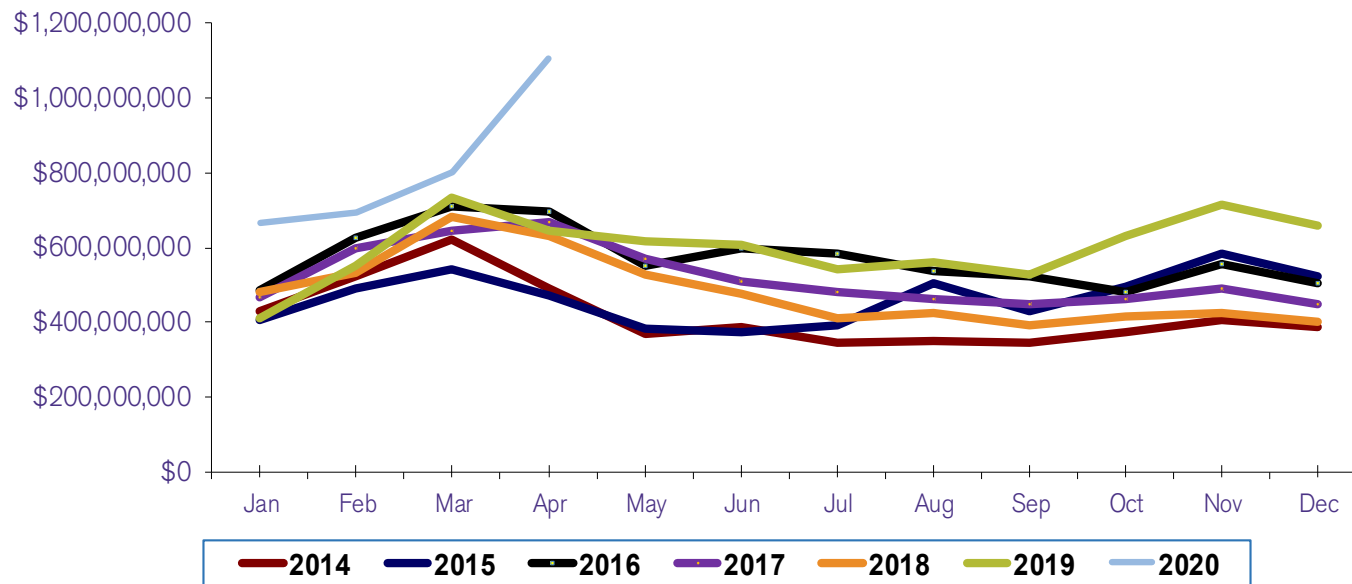
Millennium Corporate did not access our FHLB Line-of-Credit (LOC) in April 2020. Millennium Corporate currently has a Collateralized LOC of \$303.3 Million with the FHLB.

- Millennium's liquidity options remain sufficient to meet member needs.
- Loan balances averaged \$21.0 million in January; averaged \$15.8 million in February; averaged \$13.8 million in March; averaged \$16.3 in April; and have averaged \$18.3 million during most of May.
- April 2020 month-end figures show SimpliCD issuance totals of \$103.0 million and 23 users of this liquidity option.

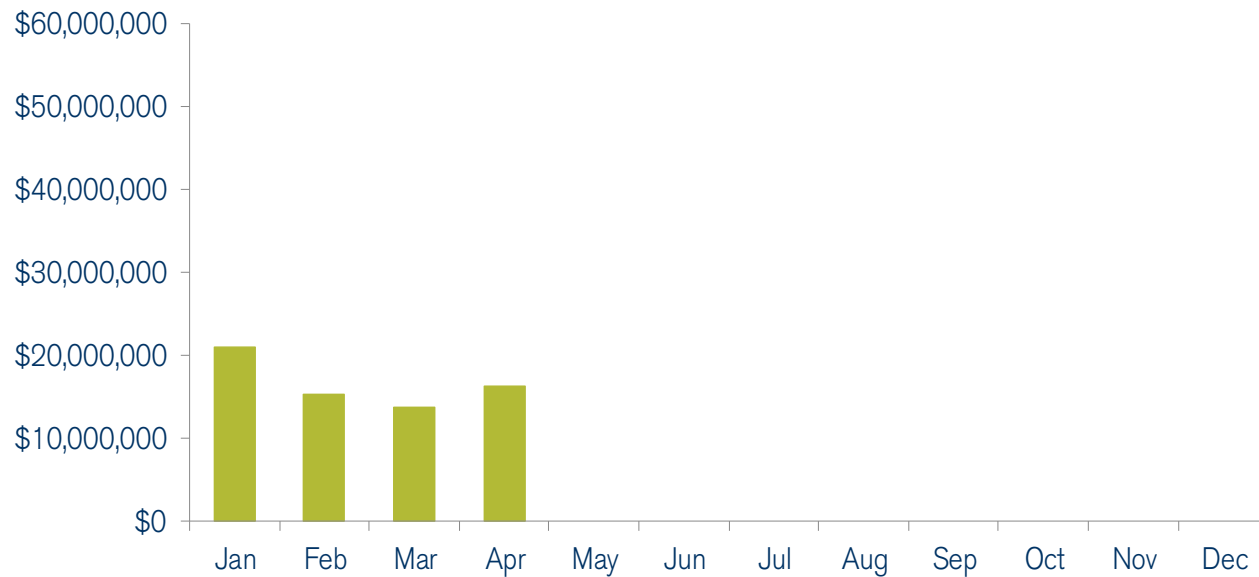
Graphical representations of the seasonal activity of member overnight deposits since 2015, and average member borrowing activity for 2020 follow this commentary.



Historical Member Overnight Deposits



2020 Average Monthly Member Borrowings



IRR | Net Economic Value (NEV)

NEV Testing Results March 2020						
	Net Economic Value (NEV)	NEV Dollar Change	NEV Percentage Change	NEV Ratio	Reg. Limits	Pass/Fail
-300 bps Increase in Interest Rates	-	-	-	-	Minimum Ratio - 2%	PASS
					Max % Change - (15%)	PASS
Base Case	\$68,984,727	-	-	6.70%	Minimum Ratio - 2%	PASS
+300 bps Increase in Interest Rates	\$66,915,664	(\$2,069,063)	(3.00%)	6.52%	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 April 2020, is \$3,869,824
- Retained Earnings ratio is 2.57% as of 2020 versus 2.92%, one year ago
- Listed below are the capital ratios of the corporate credit union regulation, Millennium Corporate's April 2020 capital ratios, and the minimum regulatory requirement of each (where applicable).
 - Retained Earnings Ratio – 2.57% | Minimum requirement – 1.00%
 - Tier 1 Capital Ratio – 8.67% | Minimum Requirement – 4.00%
 - Tier 1 Risk-Based Capital Ratio – 74.99% | Minimum Requirement – 4.00%
 - Total Risk-Based Capital Ratio – 74.99% | Minimum Requirement – 8.00%
 - GAAP Capital – 9.01%



Board Meeting Recap

Board of Director's Meeting – May 28, 2020

- Approved April 2020 Financial Statements & Committee Reports
- Approved March 2020 Net Economic Value (NEV) Reports
- Received updates on the following initiatives from management-
 - Liquidity remains strong and Millennium's assets have exceeded \$1.4 billion each day since the stimulus payments in mid-April
 - May 5th, Millennium invested \$21.4 million in CLF stock for members with less than \$250 million in assets
 - Continue to strive to actively stay in contact with members, regulators, vendors and partners
 - Millennium continues to participate in weekly calls with all corporates as we report any liquidity flow patterns they are seeing and hearing to provide a high-level view in states first hit with the virus
 - Millennium contributed to Heartland CU Charitable Foundation Pandemic Relief Fund
 - AIM hosted webinar regarding "Navigating 2020 – Four-Part Series" and had 40 members participate
 - Millennium's St. Louis office relocated over the Memorial Day weekend
 - Board reviewed the March 2020 corporate credit unions call report data



Board Meeting Recap

Reviewed the financial results of our CUSO investments as of March 2020-

- Primary Financial Company, LLC (SimpliCD) had net income of \$64,037 for 1Q 2020. The company has total equity of \$20.9 million, representing an equity ratio of 46.5%. Millennium's current ownership percentage is 12.0%. Millennium ended March with outstanding SimpliCD balances of \$538.1 million and SimpliCD issuance of \$103.0 million, an option used by Millennium members to generate additional liquidity.
- CU Business Group, LLC (CUBG) had net income of \$97,771 and 135% above budget for 1Q 2020. Total equity is \$3.0 million representing an equity ratio of 72.1% as of March 2020. Currently, twenty-seven Millennium members utilize CUBG services (4th highest of owners). Millennium's current ownership percentage is 4.41%.
- CU Investment Solutions, LLC (ISI) year-to-date income is \$656,983. ISI's fiscal year runs from October 2019 through September 2020. This is the third straight quarter of strong income as overall liquidity has increased. As of March 2020, ISI had retained earnings of \$1,195,708, reflecting an equity ratio of 38.4%. Another corporate became an owner during the quarter, reducing our ownership in ISI from 25.0% to 22.2%.
- CULedger Heartland, LLC – initial investment was made in December 2018 and during 2019 Millennium management decided to write down about half of the initial investment leaving an investment of \$9,731 - representing ownership of 7.69%.



Board Meeting Recap

Board of Director's Meeting – May 28, 2020

- Approved the Credit Committee's recommendation to appoint Heather Seiler as a Loan Officer in addition to current Loan Officer's, Kent Gleason and Larry Eisenhauer.
- Steve Borchers, Millennium's independent risk management expert, presented and the Board approved, the ERM Quarterly Board Report accepting the current residual risk level of \$1,250,586, which is 5.85% of retained earnings.
- Board received an update regarding the 2020-2022 Strategic Plan.



Credit Committee Recap

Credit Committee Meeting – May 6, 2020

- The Committee reviewed and approved 62 lines-of-credit
- Committee reviewed the Monitor Report
- Committee canceled one line due to a merger
- Committee discussed access to the Central Liquidity Facility
- Committee made a recommendation to the Board to appoint Heather Seiler, Kent Gleason and Larry Eisenhauer to serve as Loan Officers
- Paul Meissner, Credit Union of America, was elected to serve as Chairman of the Credit Committee for another one-year term.
- Current Advised LOC status – 246 Lines/\$849.9 million
- Next meeting – August 5, 2020



June 2020

Calendar of Events



Monday	Tuesday	Wednesday	Thursday	Friday
1	2	3	4	5
8	9	10	11	12
15 Millennium Supervisory Committee Meeting	16	17	18	19
22	23	24	25	26 Millennium Board & ALCO Meetings
29	30	1	2	3