

membership report

April 2021



Millennium
CORPORATE CREDIT UNION

content

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financial commentary

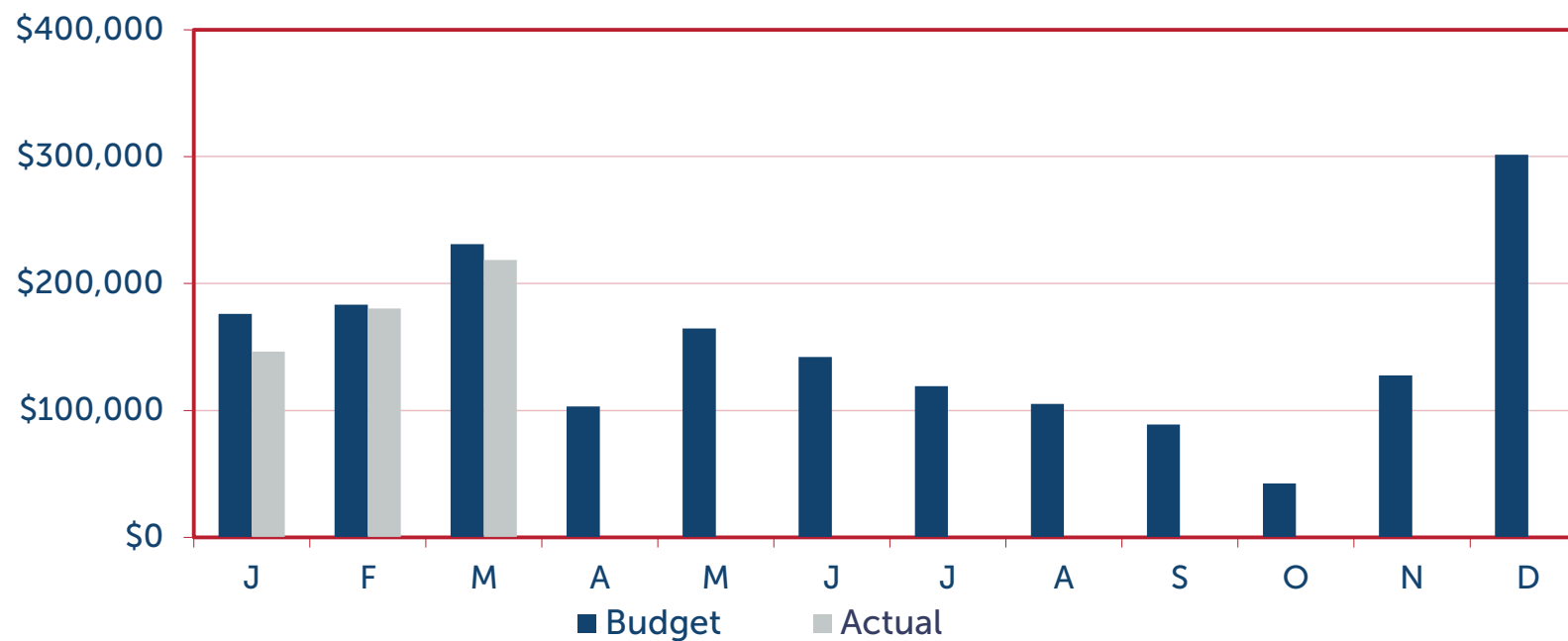
Net income for March was \$218,552, under budget by \$12,554 or 5.4% for the month. Net-interest income was \$28,498 or 8.3% less than budget due to incoming cash from stimulus payments resulting in more cash at the Fed until invested which lowers the budgeted return. Non-interest income was higher than budget by \$5,664 or 1.2% due primarily to higher commission income. Operating expenses were under budget by \$12,844 or 3.2% due to lower financial services expenses. CUSO income was lower than budget at \$2,565 or 44.2%. PCC dividends are right on budget. The year-to-date coverage ratio (fee income/operating expenses) is 82.5%, higher than the goal of 76.9%.

Return on Assets (ROA) has started the year lower than budget as the year-to-date ROA after March (on an actual/365 basis) is 12.7 bps on average assets of \$1,738.0 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 \$1,469.5 million at the end of March, an increase of \$74.2 million or 5.3% from the previous month.

Millennium Corporate is defined as "Adequately Capitalized" and we ended the month with Retained Earnings of \$23,546,359, representing a Retained Earnings ratio of 1.60% and a Tier 1 ratio of 4.98%.

2021 budget/actual net income



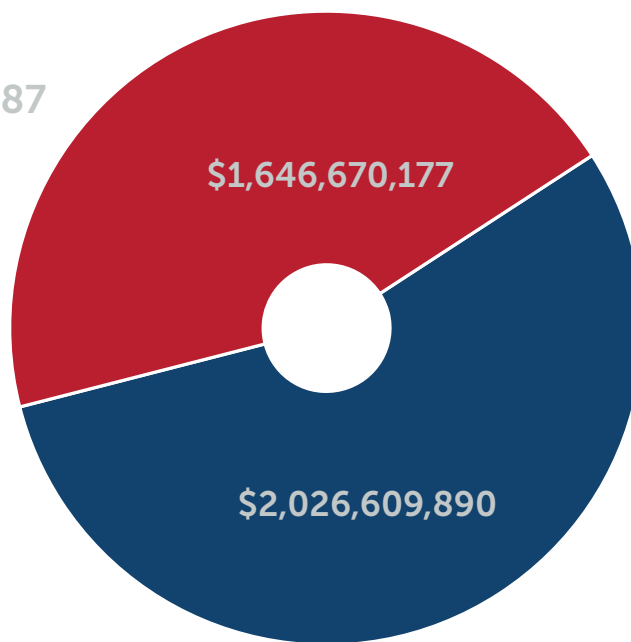
YTD actual/budget variance | dollars

March 2021 YTD <i>(In Thousands)</i>	Actual	Revised Budget	Variance
Net Interest Income	\$883.1	\$950.4	(\$67.3)
+ Non-Interest Income	\$1,351.3	\$1,356.0	(\$4.7)
- Operating Expenses	\$1,637.2	\$1,665.4	\$28.2
= Net Operating Income	\$597.2	\$641.0	(\$43.8)
+ CUSO Gains/Losses	\$14.9	\$16.3	(\$1.4)
- PCC Dividends	\$66.8	\$66.8	\$0.0
+ Other Gains/Losses	\$0.0	\$0.0	\$0.0
= Net Income	\$545.2	\$590.4	(\$45.2)

total assets | on- and off-balance sheet

March 2021

Total Managed Assets - \$3,673,280,187



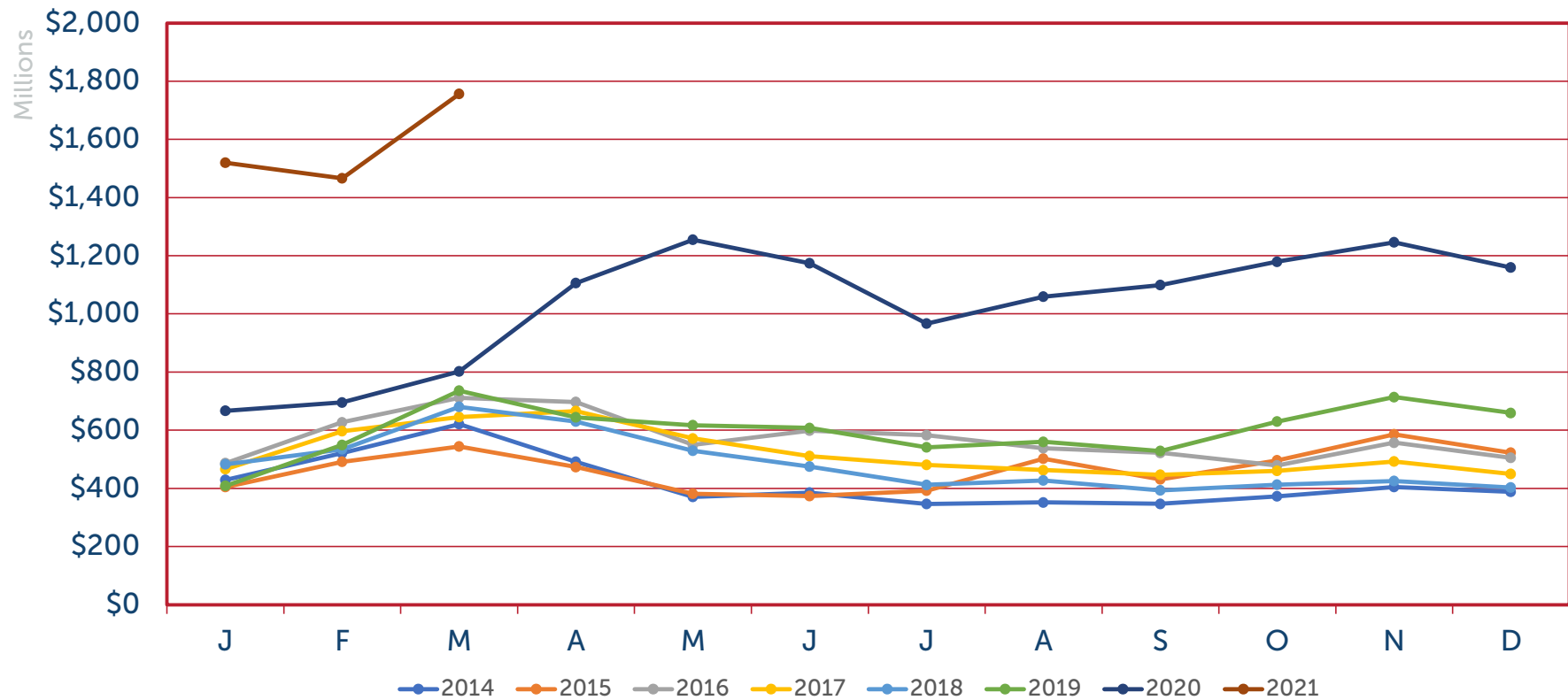
■ On-Balance Sheet ■ Off-Balance Sheet

liquidity commentary

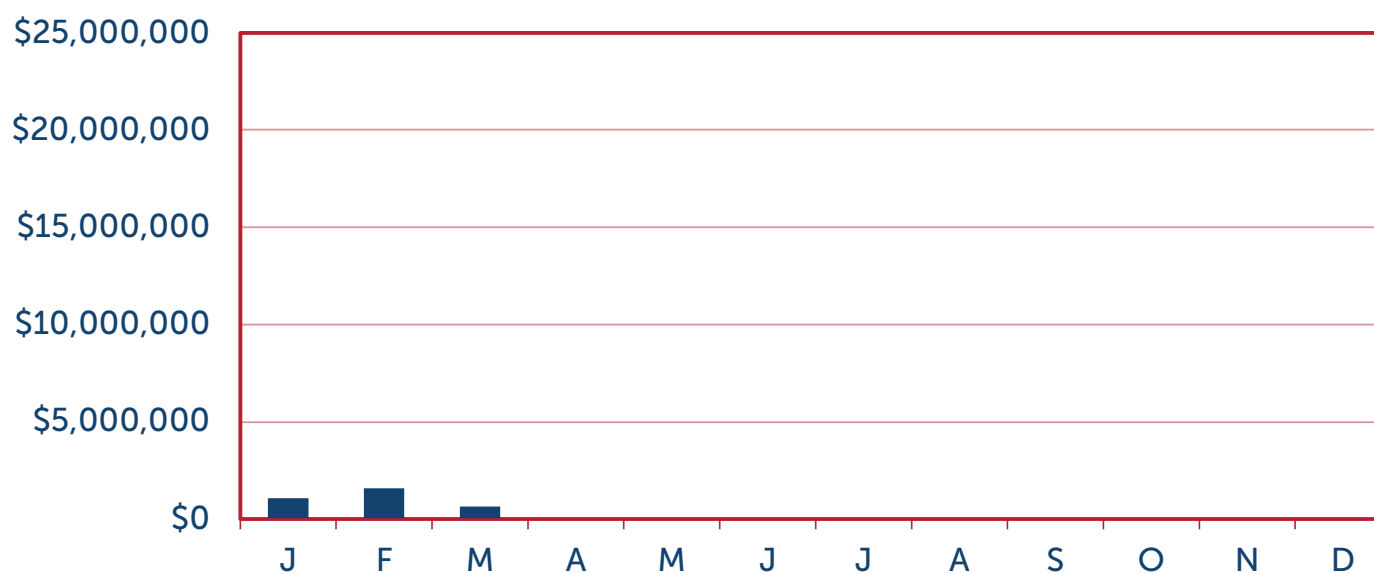
Millennium Corporate did not access our FHLB line-of-credit (LOC) in March 2021. Millennium Corporate currently has a collateralized LOC of \$407.0 million with the FHLB.

- Millennium's liquidity options remain sufficient to meet member needs.
- March 2021 month-end figures show SimpliCD issuance totals of \$73.8 million / 18 program users.
- Average loan balances are provided below-
 - October 2020 - \$3.3 million
 - November 2020 - \$2.2 million
 - December 2020 - \$2.9 million
 - January 2021 - \$1.1 million
 - February 2021 - \$1.6 million
 - March 2021 - \$0.6 million
 - April (to date) - \$0.7 million

historical member overnight deposits



2021 average monthly member borrowings



IRR | net economic value (NEV)

NEV Testing Results February 2021						
	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	\$80,055,583	-	-	4.30%	Minimum Ratio – 2%	PASS
+300 bps Increase in Interest Rates	\$76,451,778	(\$3,603,805)	(4.50%)	4.12%	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 March 2021, is \$2,162,272
- Retained Earnings ratio is 1.60% as of March 2021 versus 2.66%, one year ago
- Like all financial institutions, the surge in overnight deposits at Millennium due to the government stimulus payments and the Federal Open Market Committee (FOMC) actions to lower interest rates have negatively impacted our capital ratios and Millennium is considered “Adequately Capitalized”.
- Listed below are the capital ratios of the corporate credit union regulation, Millennium Corporate’s March 2021 capital ratios, and the minimum regulatory requirement of each (where applicable).

Ratio	March 2021	Minimum Requirement
Retained Earnings	1.60%	0.45%
Tier 1 Capital	4.98%	4.00%
Tier 1 Risk-Based Capital	56.14%	4.00%
Total Risk-Based Capital	57.11%	8.00%
GAAP Capital	5.42%	

board meeting recap

Board of Director's Meeting | April 22, 2021

- Approved March 2021 Financial Statements & Committee Reports
- Approved February 2021 Net Economic Value (NEV) Reports
- Received updates on the following initiatives from management-
 - Liquidity is stronger than normal since the stimulus payments in mid-March
 - Off-balance products (securities sales, SimpliCD, EBA) have grown to record levels - \$1.6 billion (up \$611.1 million or 59% from a year ago)
 - New record by exceeding \$2 billion in safekeeping for our members that invest in securities and CDs
 - Staff continue to participate in FedNow pilot program meetings (three in March and three in April)
 - Millennium was approved as custodian for Pooled Money Investment Board for the state of Kansas – allowing CUs participating in the state Linked Deposit programs not have to go to a competitor for custodian services
 - Millennium will participate in the Dakota CU Association annual meeting May 3-4; MT Power Up meeting May 19-20; and NE annual meeting June 15-16
 - Reported on our first quarter marketing initiatives
 - December 2020 market share increased to 23.3% and up 1.9% from September 2020
 - Update on remodeling project in Wichita office

board meeting recap

Old Business

On March 31, 2021, we received correspondence from the Liquidating Agent for the U.S. Central FCU Asset Management Estate (USC Estate), that sufficient funds are available for an interim distribution to former capital holders of U.S. Central. We subsequently received separate letters from that Agent for Kansas Corporate, Missouri Corporate and Treasure State's respective Membership Capital Account claims in the USC Estate and agreed these amounts to our claim certificates.

At the March meeting, the Millennium Board recommended any future return of capital or similar distribution to our members, would be based on total projected recoveries on the USC estate (which will be updated semi-annually). At the April meeting, the Millennium Board approved a process for distributing a portion of the USC Estate interim distribution back to the members.

We are now awaiting final guidance from NCUA to ensure that Millennium does not inadvertently violate any regulatory restrictions regarding the distribution to our members. Meanwhile, Millennium will be contacting each member and providing information as to this process and the respective amount sometime in May.

Annual Meeting Recap

Millennium Corporate 's 69th Annual Meeting was held on April 13th, virtually.

Speakers included:

- . Erin Coleman, Senior Director, Advisory Services for Filene
- . Dr. Chris Kuehl, Managing Director of Armada Corporate Intelligence
- . Lee Wetherington, Director of Strategic Insight for Jack Henry & Associates

Elected to the Board for Three-Year Terms

- . Kevin Mayer, Richland Federal CU, Sidney, Montana
- . Phil Weber, Central Communications CU, Independence, Missouri
- . Linda Allen, Arsenal CU, Arnold, Missouri
- . Michael Augustine, Frontier Community CU, Leavenworth, Kansas

Board Officers Elected

- . Chairman – Tom Kjar, Creighton Federal CU, Omaha, Nebraska
- . Vice Chairman – Greg Winkler, Azura CU, Topeka, Kansas
- . Secretary/Treasurer – Mark Kolarik, Kansas Teachers Community CU, Pittsburg, Kansas

Annual Meeting Recap

Millennium Chairman appointed the following individuals to serve on the Supervisory Committee:

- . Chuck Bullock, Quantum CU – Wichita, Kansas
- . Dee Schriener, Trius Federal CU – Kearney, Nebraska
- . Kevin Stubblefield, Metro CU – Springfield, Missouri
- . Teri Krakowka, Southwest Montana Community Federal CU – Anaconda, Montana
- . Steve Grooms, 1st Liberty Federal CU – Great Falls, Montana

Millennium Chairman appointed the following individuals to serve on the Credit Committee:

- . Jerry Barnett, LincOne Federal CU – Lincoln, Nebraska
- . Kevin Brueseke, Conservation Employees' CU - Jefferson City, Missouri
- . Gerry Veis, Bear Paw CU – Havre, Montana
- . Paul Meissner, CU of America - Wichita, Kansas

Millennium Chairman appointed the following individuals to serve on the Asset/Liability Committee:

- . Kevin Mayer, Richland Federal CU – Sidney, Montana
- . Mark Kolarik, Kansas Teachers Community CU – Pittsburg, Kansas
- . Ron Kampwerth, Together CU – St. Louis, Missouri
- . Millennium Staff: Kent Gleason, Larry Eisenhauer, Kitty Gray, Brady McLeod, Walter Thompson

supervisory committee recap

Supervisory Committee Meeting – April 26, 2021

- Committee reviewed the results of internal audits for Investment Pre-Purchase, Pandemic Preparedness and Response Plan.
- Committee reviewed the risk assessments for Bank Secrecy Act, Safekeeping and Carbonite (a new vendor).
- Approved the Engagement Letter for the 2021 ACH and BSA audits.
- Reviewed the Information Technology (IT) Audit – Statement of Work from TraceSecurity
- Steve Grooms, CEO of 1st Liberty FCU, was elected as Chair of the Committee
- The Committee reviewed the Supervisory Committee Charter and Internal Audit Charter
- 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 – June 28, 2021

events calendar

May 2021

- **5-Wednesday** | Credit Committee Meeting
- **6-Thursday** | FedNow Pilot Meeting
- **6-Thursday** | Capitol Club Classic – Benefitting NE CU Advocacy Fund
- **10/12-Monday/Wednesday** | Heartland CU Charitable Foundation events
- **11-Tuesday** | FedNow Pilot Meeting
- **19/20-Wednesday/Thursday** | Montana's CUs Power Up Annual Meeting
- **20-Thursday** | Millennium ALCO & Board Meeting
- **20-Thursday** | FedNow Pilot Meeting
- **26-Wednesday** | Enterprise Risk Management Committee Meeting
- **31-Monday** | Memorial Day | Millennium Corporate Offices Closed