

membership report

May 2023



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financial commentary

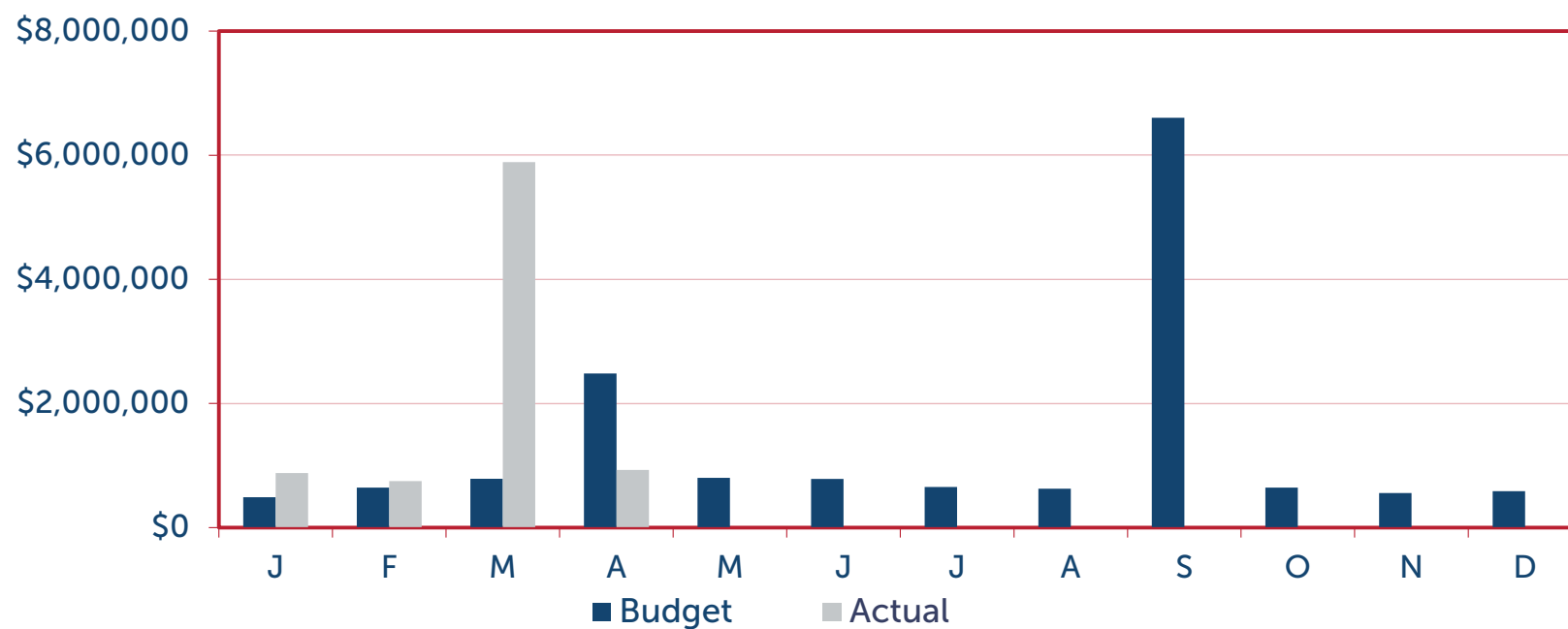
Net income for April was \$927,428, below budget by \$1,555,729 for the month. The 2023 budget projected the receipt of a distribution of the USC Estate in April – which we received a month earlier in March. Net interest income was \$57,040 or 4.4% above budget due to higher rates on our floating rate investment portfolio. Non-interest income was above budget by \$59,929 or 10.3% boosted by item processing and financial services income. Operating expenses were below budget by \$20,932 or 2.5%. CUSO income was less than budget by \$1,477. PCC dividends were slightly lower than the previous month due to one less day in the month. The year-to-date coverage ratio (fee income/operating expenses) is improving at 64.2%, but still lower than the goal of 69.7% for the year.

The year-to-date Return on Assets (ROA), including the net impact of the USC Estate, is higher than the budget due to the higher amount received with the most recent distribution of the USC Estate. The ROA through April (on 120 days/365 basis) is 283.0 bps on average assets of \$907.1 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 \$1,005.7 million at the end of April, a decrease of \$53.6 million or 5.1% from the previous month.

Millennium is defined as **"Well Capitalized"** and we ended the month with Retained Earnings of \$68,045,412, representing a Retained Earnings ratio of 6.77% and a Tier 1 ratio of 11.87%.

2023 budget/actual net income



YTD actual/budget variance | dollars

April 2023 YTD	Actual	Budget	Variance
Net Interest Income	\$5,705,042	\$4,591,919	+ \$1,113,123
+ Non-Interest Income	\$2,353,395	\$2,329,008	+ \$24,387
- Operating Expenses	\$3,665,581	\$3,320,325	(\$345,256)
= Net Operating Income	\$4,392,856	\$3,600,602	+ \$792,254
+ CUSO Gains/Losses	\$24,930	\$9,408	+ \$15,522
- PCC Dividends	\$903,068	\$914,118	+ \$11,050
- Potential Rebate	\$350,000	\$0	(\$350,000)
+ USC Estate (Net Gain)	\$5,274,962	\$1,703,310	+ \$3,571,652
= Net Income	\$8,439,680	\$4,399,202	+ \$4,040,478

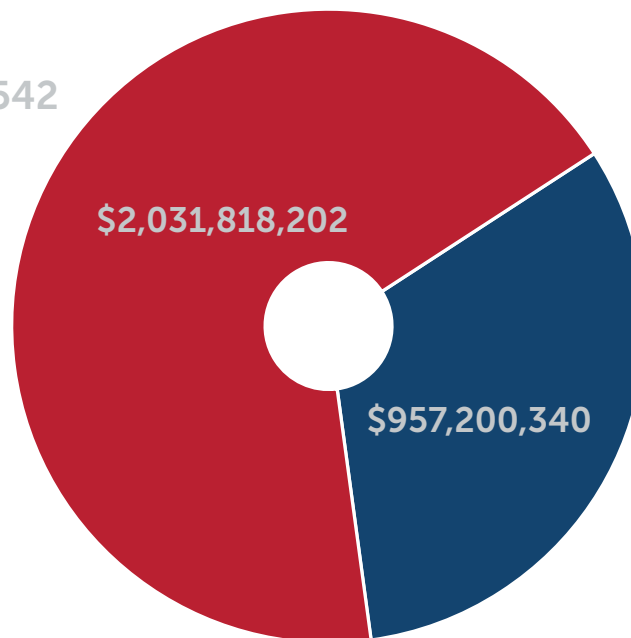
YTD actual/budget variance | bps (Act/365)

April 2023 YTD	Actual	Budget	Variance
Net Interest Income	191.3 bps	124.2 bps	+ 67.1 bps
+ Non-Interest Income	78.9 bps	63.0 bps	+ 15.9 bps
- Operating Expenses	122.9 bps	89.8 bps	(33.1 bps)
= Net Operating Income	147.3 bps	97.4 bps	+ 49.9 bps
+ CUSO Gains/Losses	0.8 bps	0.3 bps	+ 0.5 bps
- PCC Dividends	30.3 bps	24.7 bps	(5.6 bps)
- Potential Rebate	11.7 bps	0.0 bps	(11.7 bps)
+ USC Estate (Net Gain)	176.9 bps	46.0 bps	+ 130.9 bps
= Net Income	283.0 bps	119.0 bps	+ 164.0 bps
Average Assets	\$907.1 M	\$1,125.0 M	(\$217.9 M)

total assets | on- and off-balance sheet

April 2023

Total Managed Assets - \$2,989,018,542



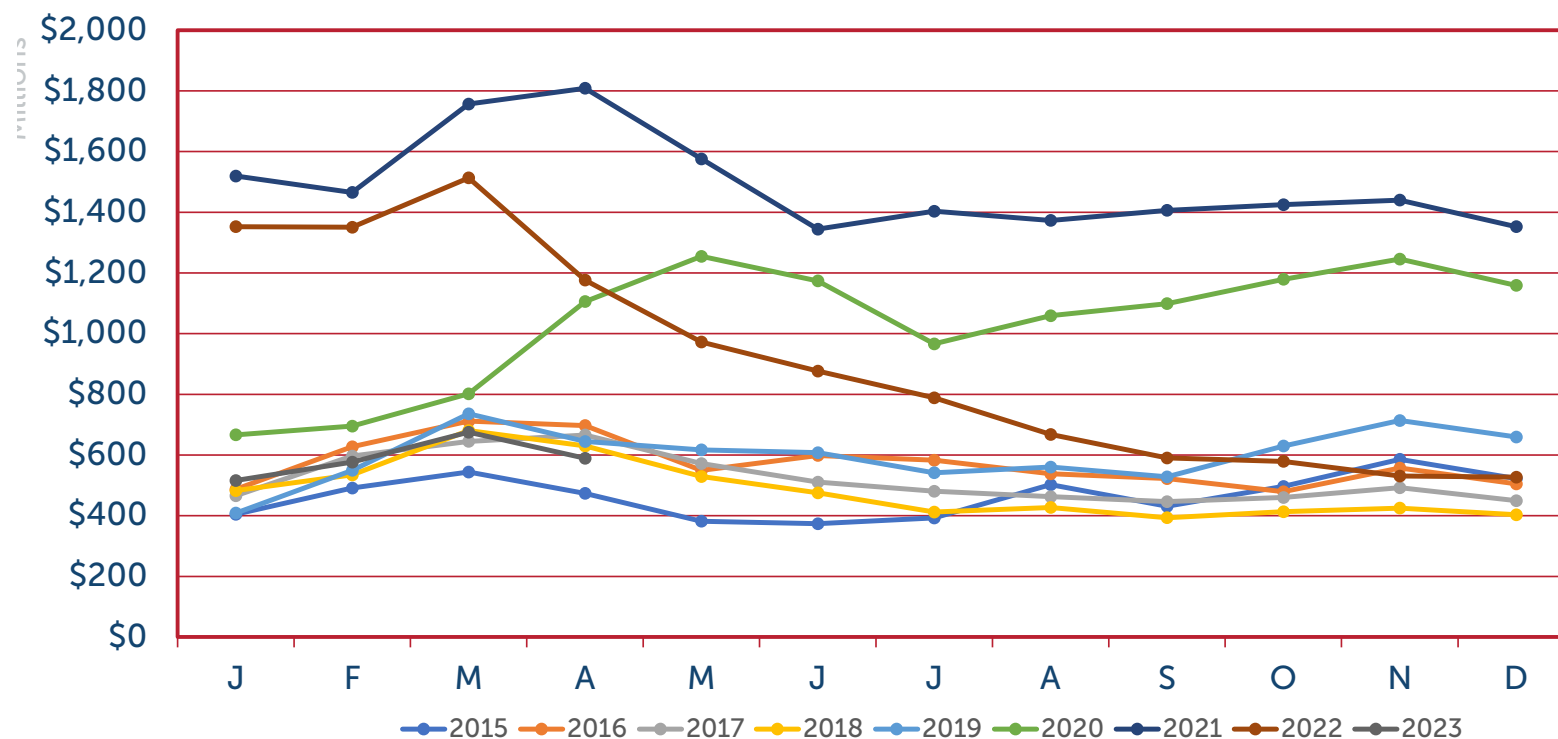
■ On-Balance Sheet ■ Off-Balance Sheet

liquidity commentary

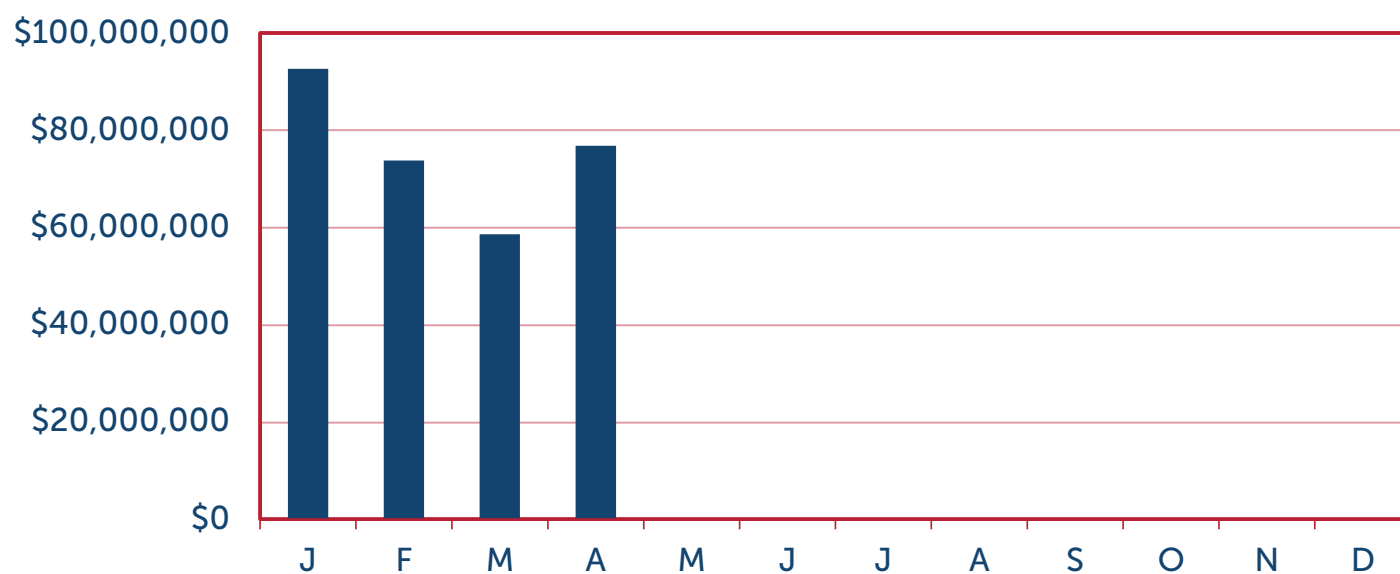
Millennium Corporate accessed the FHLB LOC for the quarter-end weekend for strategic purposes (March 31-April 2) two other days in April. Millennium currently has a collateralized LOC of \$444 million with the FHLB and a collateralized LOC of \$36.0 million with the Federal Reserve Bank of Kansas City.

- Millennium's liquidity options remain sufficient to meet member needs.
- April 2023 month-end figures show SimpliCD issuance, which provides members access to additional liquidity, is at a total of \$183.2 million with 21 member users.
- Average member loan balances are provided below:
 - November 2022 - \$45.2 million
 - December 2022 - \$91.2 million
 - January 2023 - \$92.6 million
 - February 2023 - \$73.8 million
 - March 2023 - \$58.6 million
 - April 2023 - \$76.8 million
 - May (to date) - \$94.8 million

historical member overnight deposits



2023 average monthly member borrowings



IRR | net economic value (NEV)

NEV Testing Results March 2023						
	Net Economic Value (NEV)	NEV Dollar Change	NEV Percentage Change	NEV Ratio	Reg. Limits	Pass/Fail
-300 bps Increase in Interest Rates	\$118,908,836	+ \$3,526,588	+ 3.07%	9.59%	Minimum Ratio – 2%	PASS
					Max % Change – (15%)	PASS
Base Case	\$115,382,248	-	-	9.38%	Minimum Ratio – 2%	PASS
+300 bps Increase in Interest Rates	\$110,576,890	(\$4,805,358)	(4.17%)	9.06%	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 April 2023, is \$16,006,377.
- Retained Earnings ratio is 6.77% as of April 2023 versus 3.18%, one year ago
- Millennium is categorized as **"Well Capitalized"**.
- Listed below are the capital ratios of the corporate credit union regulation, Millennium's April 2023 capital ratios, and the minimum regulatory requirement of each (where applicable).

Ratio	April 2023	Minimum Requirement
Retained Earnings	6.77%	0.45%
Tier 1 Capital	11.87%	4.00%
Tier 1 Risk-Based Capital	83.35%	4.00%
Total Risk-Based Capital	83.35%	8.00%
GAAP Capital	12.16%	

board meeting recap

Board of Director's Meeting | May 25, 2023

- Approved the Consent Agenda which included: prior meeting minutes; ALCO report; CC report; SC report; ERM report and the 2022 Form 990
- Approved April 2023 Financial Statements & Committee Reports
- Approved March 2023 Net Economic Value (NEV) Reports
- Received updates on the following initiatives from management-
 - Upcoming joint KDCU/NCUA exam set to occur June 5th – June 16th
 - Discussed a recent meeting with the Corporate Alliance and NCUA staff. Topics included CLF update, status of Reg 704 proposed changes, observations from SVB/Signet failures, FRB Term Bank Funding Program.
 - Continued discussion regarding liquidity trends amongst Millennium membership
 - Update on opportunities with association partners and upcoming annual meetings in May and June.
 - Update on FedNow Pilot activities; and Millennium's "System Modernization Project".
 - Board and Management discussed feedback regarding Millennium's Annual Meeting held earlier in May. Most feedback was very positive regarding location, speakers (economy, planning, FedNow, Central Liquidity Facility, innovation) and a good balance of meetings and socializing allowing participants to establish new connections or build upon long-term relationships.
 - Review the March 2023 corporate call report data

board meeting recap

Old Business – Reviewed the financial results of our CUSO investments as of March 2023

- Primary Financial Company, LLC (SimpliCD) had net income of \$166,851 for 1Q 2023. The company has total equity of \$16.8 million, representing an equity ratio of 41.1%. Millennium ended March with outstanding SimpliCD balances of \$676.2 million and SimpliCD issuance of \$185.0 million, an option used by Millennium members to generate additional liquidity. Millennium's current ownership percentage is 12.0% and our investment amount is \$2,011,528.
- CU Business Group, LLC (CUBG) had net loss of \$107,138 for 1Q 2023. Total equity is \$3.7 million, representing an equity ratio of 63.6% as of March 2023. The increase in interest rates and a tight liquidity environment in the CU industry has contributed to a slower than expected 2023 for CUBG. Millennium's current ownership percentage is 4.41% and our investment amount is \$120,000.
- CU Investment Solutions, LLC (ISI) year-to-date loss is \$690,614. ISI's fiscal year runs from October 2022 through September 2023, and they are budgeting a loss for the 2023 fiscal year. As of March 2023, ISI had retained earnings of \$2,010,025, reflecting an equity ratio of 58.9%. Millennium's current ownership percentage is 22.2% and our investment amount is \$785,166.
- CULedger Heartland, LLC over the past years, based on the continued unprofitability of CULedger/Bonifii, Millennium management decided to write down our investment in CULedger-Heartland to \$1.

board meeting recap

Old Business – Measures & Targets

- In accordance with Millennium's Strategic Plan, the Board and Management tracks the progress of the measures and targets on a quarterly basis. At this meeting, the Board reviewed the status of the measures and targets as of 1Q 2023. Additionally, the Board was provided an update on the progress on our 2023 Strategic Plan and the 2Q priorities.

board meeting recap

New Business

- Kip Poe, VP – Information Technology, presented the Security Program Board Report. The report summarized all the findings and responses from any risk assessments or audits, changes made to equipment, vendors, procedures or policy. The report also includes the results of any contingency tests and exercises. The Board accepted the report.

events calendar

June 2023

- **1-Thursday** | Enterprise Risk Management Committee Meeting
- **5-16** | KDCU/NCUA Joint Exam
- **6/7 Tue/Wed** | Nebraska CU League Annual Meeting
- **7-Wednesday** | Juniper Payments/Millennium Monthly Touchpoint Meeting
- **8-Wednesday** | St. Louis Chapter Golf Tournament & CUA Children's Miracle Network Golf Tournament
- **13-Tuesday** | Credit Committee Meeting
- **14-Wednesday** | Federal Reserve Bank/Millennium Monthly Touchpoint Meeting
- **15-Thursday** | KDCU Advisory Council Meeting
- **19-Monday** | Juneteenth | Millennium Corporate Offices Closed
- **22-Thursday** | Millennium ALCO & Board Meeting
- **26-Monday** | Supervisory Committee Meeting