

CPP ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Millennium Bancorp, Inc.

Point of Contact:	Dan Patten , CFO	RSSD: (For Bank Holding Companies)	3027811
UST Sequence Number:	915	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	7,260,000	FDIC Certificate Number: (For Depository Institutions)	57175
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	April 03, 2009	City:	Edwards
Date Repaid ¹ :	N/A	State:	Colorado

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

Increase lending or reduce lending less than otherwise would have occurred.

In 2011 our total loan balance decreased. However, lending would have reduced further without the CPP funds, as the Bank would have needed to decrease assets even further to maintain adequate regulatory capital levels.

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To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).

Empty response box for increased lending.

Increase securities purchased (ABS, MBS, etc.).

Empty response box for increased securities purchased.

Make other investments.

Empty response box for other investments.

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Increase reserves for non-performing assets.

During 2011, the Bank was able to keep higher levels of loan loss reserves for non-performing assets than long term historical trends and higher than possible without CPP. Although reserves actually decreased in 2011, they moved proportionately to the Bank's decrease in non-performing assets.

Reduce borrowings.

Increase charge-offs.

The Bank's local economy remained depressed in 2011. The CPP funding has helped the Bank absorb elevated levels of loan charge-offs, while remaining well capitalized.

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Purchase another financial institution or purchase assets from another financial institution.

Held as non-leveraged increase to total capital.

The Bank's capital levels have been maintained higher than what would have been possible without the CPP funds.

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What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

The deterioration of market conditions did not significantly occur in our markets until after the Company received its infusion of CPP funds. The additional capital has allowed the Bank to avoid (1) eliminating lending activities altogether or (2) negatively impact its deposit operations and ability to serve its communities. In 2011, Millennium Bank has been able to maintain a posture of making loans to good borrowers, but loan demand in its markets has subsided considerably and therefore actual loan growth has not occurred. However lending would have reduced further without it and the bank has been able to continue to service the credit needs of its communities.

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What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

The capital has allowed the Bank more flexibility in dealing with its loan customers that have faced economic difficulty. Although the total gross loans decreased approximately 10% in 2011, the residential and commercial real estate mortgages decreased less than 3%.

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Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCl funds.

The Company has been able to pursue capital raising and strategic alternative activities that may not have been available had its capital ratios been significantly lower.