



Merchants and Manufacturers Bank

CORPORATE PROFILE AND FACT BOOK 2010

A: 801 S. Briggs Street, Joliet, IL 60433

P: (815) 740-3280

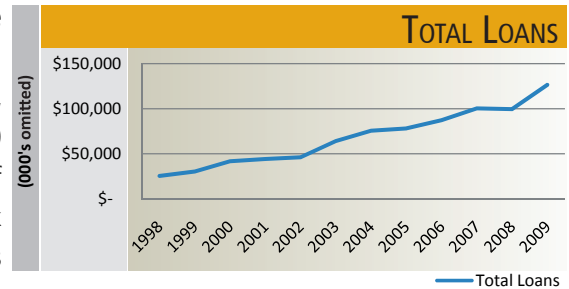
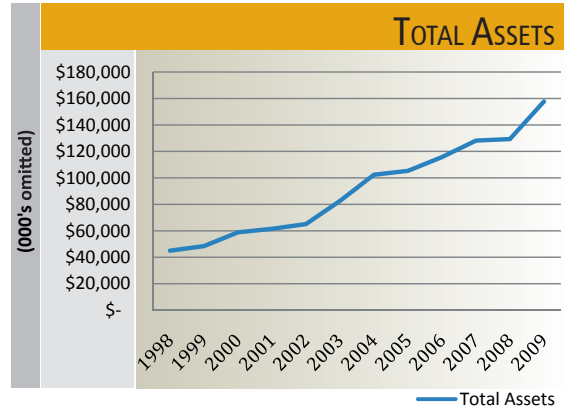
I: www.m-mbank.com

EXECUTIVE SUMMARY

With a clear focus on meeting the banking and service requirements of small and midsize businesses throughout the Northeastern Illinois market, Merchants and Manufacturers Bank has rapidly grown assets, loans and deposits. The Bank offers particular expertise in commercial and industrial lending and financial services to businesses engaged in manufacturing, industrial supplies, and distribution. The Bank capitalizes on Chicago and Northeastern Illinois' size and role as a national hub of transportation, distribution and industrial support.

M&M is well-positioned to take advantage of market share opportunities: national and large regional banks continue to focus away from small and midsize businesses and toward larger businesses; many of the large number of small community banks in the Chicago area are under-capitalized; and, even adequately capitalized small community banks do not specialize in serving businesses or offer a full range of business-focused products and services.

Since 1998, the Bank has experienced 11 consecutive years of uninterrupted growth in total loans and total assets. Since 2006, the Bank's total assets have grown from \$111 million to \$157.7 million at the end of 2009. Following 2008 – a challenging year for the entire banking industry – the Bank registered a 27.1% growth in gross loans, even though economic conditions in the Chicago area and the nation were soft and uncertain. While growing gross loans from \$87.2 million in 2006 to \$126.5 million at December 31, 2009, non-performing loans (loans with payments more than 90 days in arrears) have consistently stayed below 1% of Bank's gross loans. Merchants and Manufacturers Bank also registered a 21.6% increase in total deposits during 2009.



THE BANK'S KEY GROWTH STRATEGIES INCLUDE...

Capitalizing on market share opportunities as larger banks continue to pull back from lending to small and mid-sized businesses.



Offering market-leading expertise in lending and banking services to targeted business clients.



Providing prompt, responsive lending decision-making with an experienced, empowered lending team.



Winning new business and expanding existing relationships with leading-edge technology and banking products.



Seeking organic growth and acquisition opportunities utilizing selective capital-raising.



Accelerating new business outreach as the bank's lending capacity expands.



When my partner and I started our company, we needed bankers that could focus on us as individuals. After meeting with 11 different banks, we knew that M&M Bank was the clear choice. Nine years later, we continue to work with the same people we've always worked with. We can rely on M&M Bank.



-- TIM ROBERTS,
VP OF SALES AND PRINCIPAL
CATALYST EXHIBITS, CRYSTAL LAKE, IL.

EXECUTIVE SUMMARY, CONTINUED

A strong retail branch network with four locations in and around Joliet, IL, located 30 miles west of Chicago, enables M&M to generate retail deposits to support its business lending. The Bank supplements asset growth and enhances margins by offering an innovative life insurance equity loan product generating loans against policy holders' cash value.

With a wide variety of electronic banking capabilities, a mobile force of loan officers and a business customer base in Chicago and throughout Northeastern Illinois, the bank has few geographic constraints and can attract clients from a large area. The Bank boasts exceptionally high levels of customer retention in both retail and business banking.

PRE-TAX NOI PLUS PROVISIONS



LARGE MARKET OFFERS OPPORTUNITY

Merchants and Manufacturers Bank is well-positioned to take advantage of two unique but related trends in its market. Chicago, as an epicenter of the real estate bubble, has a larger portion of underperforming and failing banks than in most parts of the country. This weakness in competitors' financial strength has created a vacuum as the smaller banks are contracting to save their franchises. Related to this trend, the mid-sized and larger banks continue to grow and scale up in their minimum size requirements for customer accounts. Chicago has historically been a strong commercial/industrial loan market for small and mid-sized companies. This "in between market" is finding itself, more than ever before, severely underserved in the banking market.

The Chicago area generates two-thirds of the state's \$72 billion in manufacturing output and supports nearly a million manufacturing jobs. A large local market and cost effective transportation and delivery alternatives continues to support a wide variety of small and midsize manufacturers. According to the latest United States Census Bureau statistics, the counties served by Merchants and Manufacturers Bank – Cook, Will, Kane, Lake, Kankakee, McHenry, Grundy and DuPage in Illinois and Lake County in northwest Indiana had approximately 234,000 businesses and more than \$129 billion in shipments of manufactured products.

“Our focus on serving small, and mid-size manufacturers and distributors enables us to effectively tap a large and generally underserved group of businesses.”

— LARRY FOY
PRESIDENT AND CEO, M&M BANK

Bank Type	Data as of 12/31/09				
	Commercial & Industrial Loans/GDL	Commercial RE Loans/GDL	Total Real Estate Loans/GDL	Consumer Loans/GDL	Nonperforming Loans/GL
Super Community Banks	17.2%	29.0%	74.4%	1.6%	5.4%
Community Banks	10.7%	37.7%	77.0%	3.0%	5.4%
Small Community Banks	10.8%	23.8%	89.8%	3.2%	7.4%
Merchants and Manufacturers Bank	30.0%	30.4%	51.8%	14.3%	0.4%

Unlike many competitors in the community bank market, M&M has a strong concentration in Commercial and Industrial loans while nearly half of its Commercial RE loans are owner occupied industrial and commercial buildings. Consumer loans are overwhelmingly loans secured by Life Insurance Policies.

LARGE MARKET OFFERS OPPORTUNITY, CONTINUED

As a leading national hub for transportation, shipping and distribution, as well as one of the nation's largest and most interconnected metro areas, the Chicago area is a convenient home to thousands of specialty manufacturers who ship products locally and throughout the globe. It is also the home to wholesalers and distributors who facilitate the flow of goods to and from the Chicago area, the Midwest and the nation. The Chicago market is facing substantial economic headwinds, but has strong underlying fundamentals that will support long term growth.

Management is enthusiastic about the future of manufacturing and distribution in the Chicago area, northern Illinois and northern Indiana. There are thousands of small businesses manufacturing anything and everything. A great deal of manufacturing, particularly specialty and low-tech parts and products, is more efficient, cost effective and desirable to manufacture domestically. Domestic companies can offer short lead times, rapid delivery, high quality, specialty engineering, emergency replacement capabilities, and more.

For distribution, the Chicago metro area has long been a transportation hub for both national and international shipping. Distributors have very specific financing and banking needs, yet they have largely been ignored by banks.

"Our focus on serving small and midsize manufacturers and distributors enables us to tap a large and generally underserved group of businesses," explained President and CEO Larry Foy.

"While many of the businesses we serve aren't necessarily glamorous, they provide absolutely vital products and services. They employ thousands and generate profits, and we think that's glamorous. Most of our clients are owners who roll up their sleeves every day and actively run their businesses with a high degree of focus and efficiency."

The Chicago area has thousands of manufacturing, light industrial and distribution companies. Many are family owned and a large number have been family owned for several generations.



OUR WELL-POSITIONED LOCATION TO SERVICE OUR CUSTOMERS
- WITH A GEOGRAPHIC REACH OF 250,000+ BUSINESSES.

I had been banking with a large Chicago-based institution for a number of years. Over a three-year period, M&M Bank called on me. During a particularly challenging acquisition, my bank pulled out 48 hours before I was to close. I contacted them and within 10 minutes they had a positive response. I've referred five other companies to M&M. They've never disappointed.

-- KEN BUCKMAN, CEO
TRADETEC SKYLINE CHICAGO
LOMBARD, IL.

CENTRALIZED SERVICE AND SUPPORT

OFFERING FULL INTERNET BUSINESS BANKING CAPABILITIES AND A SUPPORT STAFF READY TO MAKE ON-PREMISES VISITS WHEN A PERSONAL MEETING IS APPROPRIATE, M&M BANK IS WELL-POSITIONED TO SERVE CUSTOMERS IN A LARGE GEOGRAPHIC AREA WITH MORE THAN 250,000 BUSINESSES AND GENERATING OVER \$129 BILLION SHIPMENTS OF MANUFACTURED PRODUCTS.

M&M BANK: A PROVEN BUSINESS MODEL

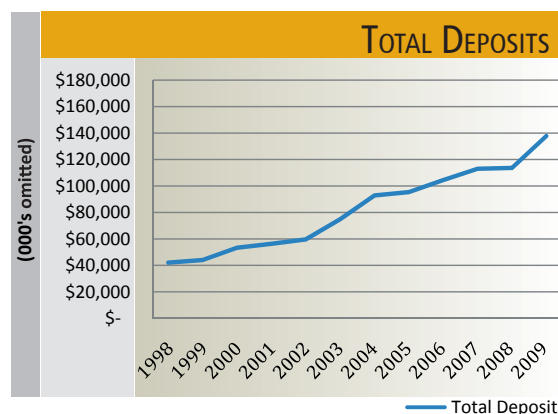
M&M Bank has developed a proven model focused on three core strengths. First, the Bank has developed a strong expertise in the origination and management of banking relationships with privately held businesses, primarily manufacturers and distributors. Second, M&M Bank has recognized the importance of maintaining market leading niche products to augment its core commercial business. Finally, M&M Bank stresses the generation of a stable base of core deposit accounts to provide a foundation upon which to grow the Bank.

As shown by the historic growth in the Bank's commercial loan portfolio, M&M Bank has built its business on providing a full range of banking services to small and mid-sized companies. This steady and strong growth has been accomplished by the hard work of a dedicated team of relationship and credit managers. The Bank practices a team concept on credit relationships, providing the end client with multiple contacts into key, empowered, senior bank executives. We strive to provide a community bank relationship feel for each our customers with the specialized expertise of a much larger commercial bank.

The Bank manages lending risk by fostering a strong credit culture and relying on the experience of its senior lending officers, who have significant authority to make credit decisions. The bank's three senior lenders have more than 60 years of banking and credit experience, and two began their careers as examiners with the FDIC. The Bank emphasizes strong underwriting and proactive risk management led by an experienced senior credit officer. The board of directors regularly reviews underwriting policies, major loan decisions and works with management to oversee capital and overall asset quality.

During the past three years, M&M Bank avoided many of the problems that have led to high levels of defaults, to increased loan loss reserves and to capital adequacy issues at many of its competitors. It did this by limiting its involvement in residential mortgage lending, consumer loans and real estate development. Strong C&I loan underwriting and credit review practices have enabled the bank to maintain growth and avoid severe real estate loan related issues.

In 2001, the Bank discovered an opportunity to add a niche product to its array of financial offerings. Board of Directors member and Managing Director John Murphy heads up the Bank's innovative and rapidly growing Life Equity Loan product. The Bank has established a relationship with a global life insurance provider to lend to holders of whole life policies, utilizing the value of their policies' cash value. The Bank offers attractive rates to borrowers – lower than standard borrowing rates set by the life insurance industry. The product supports the Bank's overall asset growth. Since inception in 2001, Life Equity Loans have grown 68% per year (CAGR) and currently represent \$19 million in loans or approximately 90% of the Bank's consumer loan portfolio. The bank estimates that the total market in the U.S. for loans secured by life insurance policies, which are currently mostly captured by the insurance companies themselves, is well over \$1 billion dollars.



The Bank has steadily grown deposits through a combination of retail and business accounts, providing an attractive cost of funds to fuel lending capacity.



Our customers need a bank that understands their key financial needs without a lot of hassle and time-consuming explanation. They are experts in what they need to do to be successful. Because of our focus on their business and their industry, we can be vital allies in achieving that success."



— BRAD BUTLER
SENIOR VICE PRESIDENT
M&M BANK

M&M BANK: A PROVEN BUSINESS MODEL, CONTINUED

While the Bank's focus on serving small and midsize businesses is the primary growth driver, a strong core of retail banking services and deposit generation helps fuel lending capabilities. The Bank maintains four locations in the Joliet, IL area, primarily to serve its retail customer base. It also offers a full range of Internet banking capabilities to attract and retain retail customers.

THE INSTITUTION BUILDS CORE DEPOSIT ACCOUNTS IN SEVERAL WAYS...

- PROVIDE** ...full relational banking services that generate a strong base in business operating accounts.
- OFFER** ...leading edge technology, such as Remote Deposit Capture, to bridge the distance between the Bank's facilities and its customers' operations.
- GENERATE** ...retail core deposits by providing appealing rates and personalized community banking service.
- BUILD** ...business banking deposits by offering value-oriented service packages that provide lower pricing for services in exchange for higher average daily balances.
- OPERATE** ...a full service, image lockbox department on location at its Channahon, IL location.



Merchants and Manufacturers Bank's business-focused operating model has driven 11 consecutive years of year-over-year growth in total loans, total assets and total deposits. Net interest income, reflecting disciplined margin management and pricing, has grown steadily, even during the challenging economic years of 2008 and 2009. This underscores the success of the Bank's new business outreach, high customer retention rates (virtually no business customer attrition during the past decade), and efficient operations.

The bank has experienced growth in its core earnings, as measured by Net Operating Income (pre-tax) plus provisions to the loan loss reserve, during the past ten years. This earnings growth has accelerated over the past five years as the bank has reached certain economies of scale and as asset growth has accelerated. The strong growth over the last two years has been instrumental in allowing the Bank to recognize losses in its loan portfolio related to the economic downturn yet still show an overall profit in both years. Management believes this strong foundation of core earnings will allow it to post better than historical earnings performances in the years and decades to come.



The nature of our business demands fast and expert decision making. We rely on a relatively small team of highly experienced individuals with tremendous depth of knowledge.



-- STEVEN DAVIS
SENIOR VICE PRESIDENT
M&M BANK

MANAGEMENT: LEADERSHIP, EXPERIENCE, EXPERTISE AND ENTHUSIASM

Much of the Bank's strategy focuses on an experienced, empowered team of managers and lenders able to provide the level of service and decision-making responsiveness its business customers. The team has great enthusiasm because of the opportunity to deliver top service and products to business sectors frequently overlooked and misunderstood by financial institutions. The Bank has a strong operations team to help ensure efficiency and also keep the bank abreast of the most current technology. While service and customer relationships are vitally important to small business customers, transactions and funds management can be accomplished through the bank's robust electronic banking capabilities, including remote deposit capture.

Laurence G. Foy, President and CEO: co-founded the Bank following a 22 year career in Chicago banking. At 27, he was named the youngest Vice President in the history of one of Chicago's major business bank, and throughout his career specialized in commercial lending and banking with privately held manufacturers, distributors and industrial service providers throughout the Midwest. In 1993, Mr. Foy and John E. Traeger, Chairman of the Board, along with a limited number of investors, acquired a Joliet-based institution and renamed it Merchants and Manufacturers Bank. Since the Bank's founding, it has more than quintupled in size. He holds a bachelor's degree from the College of William & Mary and an MBA in finance and accounting from Northwestern University. Mr. Foy is a member of the board of directors.

Brad W. Butler, Senior Vice President: worked for several years as an examiner for the FDIC, gaining valuable experience in credit and financial analysis before joining M&M Bank in 1998 as Vice President and Cashier. He oversees the Bank's funding and retail operations, directs the investment portfolio and manages the bank's interest rate risk exposure. In addition, he is an active lender, is a member of the senior lending team and directs the Bank's Asset Liability Management activities. He graduated with a bachelor's degree in finance from Bradley University in Peoria, IL.

Steven M. Davis, Senior Vice President: is a native of the western Chicago suburbs. He began his career as a bank examiner for the FDIC and was an instructor for the FDIC's Examination Management School before joining M&M Bank in 2001. He is the Bank's Senior Lender and heads up new business development, sales management and customer relations. He is also a member of the bank's Asset Liability Committee. He also serves as Treasurer of the Will County Community Health Center's governing council and previously served as its chairman. He earned his bachelor's degree in finance from Southern Illinois University.

Richard Menczynski, Vice President and Credit Officer: received his bachelor's degree and MBA from Chicago's North Park University. He served as a commercial lending field examiner at General Electric Capital Corp. and held positions with several large commercial financing companies, including Vice President-Audit Manager and Vice President-Portfolio Manager. He joined Merchants and Manufacturers Bank in 2007.

Anton Gust, Vice President: joined the Bank in 2008 to coordinate the Bank's growing need for business development. A Chicago-area native, Mr. Gust began his career with American National Bank in Chicago. For several years prior to joining the Bank, he specialized in finance-related business development, working with small and midsize businesses throughout the Chicago area. Mr. Gust graduated with his Bachelors of Science degree in finance from Miami University in Oxford, Ohio.

William Schraeder II, Senior Vice President, Operations: joined Merchants and Manufactures Bank in 1995 to organize and implement the necessary systems and procedures for back office and branch operations. With leading-edge technology and a dedicated staff, M&M has not needed to increase its operations staff since Mr. Schraeder joined, even as the Bank has experienced triple-digit growth. A Chicago-area native, he graduated from Elmhurst (IL) College. He was part of the management team of a successful suburban bank startup, and then spent more than a decade with EdgeMark Financial Corp., a five-bank holding company with assets of over \$500 million, managing the data processing and back office operations, including consolidating the back office operations, accounting, check processing, and branch operations to one location.

continued on next page

MANAGEMENT: LEADERSHIP, EXPERIENCE, EXPERTISE AND ENTHUSIASM

The Bank's Board features local experts in finance, banking and business entrepreneurship. A number of the Directors were bank customers prior to joining the Board and reinforce the unique perspective of being both a customer in our target markets and a Director.

David Benfer was formerly President and CEO of St. Raphael Healthcare System in New Haven, CT and Provena St. Joseph Medical Center in Joliet, IL. He is the former Chairman of the American College of Healthcare Executives.

R. James Cashmore, Vice President and majority shareholder of ISK Industries, Inc., a 50-plus year-old manufacturers' representative firm specializing in industrial hardware and tools, brings to the Board years of experience in the sales and marketing industry particularly related to the manufacturing field.

Laurence G. Foy, with 40 years in the banking industry specializing in commercial finance and business banking, is President and CEO of M&M Bank and co-founder of Merchants and Manufacturers Bank Corporation.

Robert Lindsten is former President and owner of Hydro Components Research & Development Corporation, a 50-year old manufacturer of precision molded plastic parts.

John Murphy has more than 40 years of experience in Chicago-area banking and has served as President and CEO of two Chicago-area banks. He is Managing Director of the Bank and manages the Bank's Life Equity Loan product.

Timothy Roberts is co-founder of Catalyst Exhibits, Inc., which designs, constructs and manages large-scale commercial exhibits for a variety of clients.

John Traeger, Chairman of the Board, is former owner of Artistic Carton Company, a folding carton manufacturer, and co-founder of Merchants and Manufacturers Bank Corporation.

Catherine C. Traeger, a Director of the Bank since 1993, is a retired educator. She also serves on the Bank's Compensation Committee.



Financial Highlights

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Total Loans	\$ 126,556	\$ 99,596	\$ 100,500	\$ 87,272	\$ 78,200	\$ 75,647	\$ 64,154	\$ 46,224	\$ 44,329	\$ 41,723	\$ 30,411	\$ 25,497
Total Assets	\$ 157,767	\$ 129,329	\$ 128,168	\$ 115,708	\$ 105,318	\$ 102,430	\$ 82,645	\$ 65,086	\$ 61,497	\$ 58,897	\$ 48,457	\$ 44,966
Total Capital	\$ 14,595	\$ 11,385	\$ 10,437	\$ 9,171	\$ 8,363	\$ 7,986	\$ 7,157	\$ 5,320	\$ 5,023	\$ 4,970	\$ 4,718	\$ 3,228
Total Deposits	\$ 139,924	\$ 115,059	\$ 114,391	\$ 105,566	\$ 96,183	\$ 93,647	\$ 75,027	\$ 59,301	\$ 55,893	\$ 52,843	\$ 43,280	\$ 41,244
Net Interest Income	\$ 5,556	\$ 5,245	\$ 4,528	\$ 4,083	\$ 4,088	\$ 3,477	\$ 2,849	\$ 2,608	\$ 2,451	\$ 2,402	\$ 2,021	\$ 1,942
Net Operating Income (Pre-tax)	\$ 399	\$ 505	\$ 761	\$ 894	\$ 768	\$ 533	\$ 222	\$ 432	\$ 85	\$ 321	\$ 268	\$ 309
Net Operating Income (Pre-tax) + Provisions	\$ 1,250	\$ 1,392	\$ 814	\$ 820	\$ 1,003	\$ 633	\$ 259	\$ 547	\$ 473	\$ 443	\$ 378	\$ 457
Return on Assets	0.22%	0.30%	0.39%	0.49%	0.49%	0.36%	0.20%	0.46%	0.08%	0.36%	0.36%	0.44%
Return on Equity	2.44%	3.89%	5.50%	7.12%	7.10%	5.33%	2.61%	5.52%	0.91%	4.12%	3.74%	5.93%
Net Interest Margin	4.06%	4.22%	3.83%	3.92%	4.12%	3.84%	3.89%	4.30%	4.10%	4.75%	4.91%	4.96%
Net Loan Losses to Avg. Loans	0.66%	0.73%	0.01%	-0.07%	0.02%	0.05%	-0.06%	-0.02%	0.75%	-0.06%	0.11%	0.57%

The financial presentations presented herein are representative of the operating results of Merchants and Manufacturers Bank and not of its Holding Company, Merchants and Manufacturers Bank Corporation. Individuals interested in investing in stock of the Holding Company should refer to separately provided Private Placement Memorandum or Offering Circulars provided during an official capital offering for the financial statements and results of Merchants and Manufacturers Bank Corporation. Merchants and Manufacturers Bank is a wholly-owned subsidiary and the only operating subsidiary of Merchants and Manufacturers Bank Corporation.

CORPORATE CONTACT | LAURENCE G. FOY, PRESIDENT AND CEO P: (815) 740-3280 E: LFOY@M-MBANK.COM

OFFICES AND LOCATIONS

RETAIL BRANCHES

MAIN OFFICE

801 S. BRIGGS STREET
JOLIET, IL 60433
(815) 740-3280



CASS STREET OFFICE

601 E. CASS STREET
JOLIET, IL 60432
(815) 740-3250



ESSINGTON OFFICE

1000 ESSINGTON ROAD
JOLIET, IL 60435
(815) 729-4040



CHANNAHON OFFICE

25140 W. CHANNON DRIVE
CHANNAHON, IL 60410
(815) 467-4386



COMMERCIAL LENDING OFFICES

LOAN DEPARTMENT

601 E. CASS STREET
2ND FLOOR
JOLIET, IL 60435
(815) 724-2020



BUSINESS DEVELOPMENT OFFICE

TWO MID AMERICA PLAZA
SUITE 704
OAK BROOK TERRACE, IL 60181
(630) 575-9700



MERCHANTS AND MANUFACTURERS BANK CORPORATION

CORPORATE OFFICE

801 S. BRIGGS STREET
JOLIET, IL 60433
(815) 740-3250

