



Marshall & Ilsley Corporation Credit Quality Second Quarter 2009

Note: Beginning with the second quarter 2009, the Corporation modified its definition of nonperforming loans to exclude renegotiated loans and loans past due 90 days or more because these loans were performing in accordance with their current terms. Prior periods presented have been adjusted for this reclassification.



Forward-looking statements

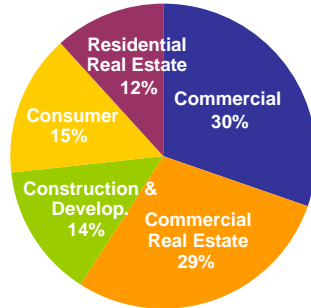
This presentation contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include, without limitation, statements regarding expected financial and operating activities and results that are preceded by, followed by, or that include words such as "may," "expects," "anticipates," "estimates" or "believes." Such statements are subject to important factors that could cause M&I's actual results to differ materially from those anticipated by the forward-looking statements. These factors include: (i) M&I's exposure to the deterioration in the commercial and residential real estate markets, along with the deterioration in the U.S. economy as a whole, which could result in increased charge-offs and increases in M&I's allowance for loan and lease losses, (ii) various other factors, including changes in economic conditions affecting borrowers, new information regarding outstanding loans and identification of additional problem loans, which could require an increase in M&I's allowance for loan and lease losses, (iii) M&I's ability to maintain required levels of capital, (iv) the impact of recent and future legislative initiatives on the financial markets or on M&I, (v) M&I's exposure to the actions and potential failure of other financial institutions, (vi) volatility in M&I's stock price, and (vii) those factors referenced in Item 1A. Risk Factors in M&I's annual report on Form 10-K for the year ended December 31, 2008, and as may be described from time to time in M&I's subsequent SEC filings, which factors are incorporated herein by reference. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect only M&I's belief as of the date of this press release. Except as required by federal securities law, M&I undertakes no obligation to update these forward-looking statements or reflect events or circumstances after the date of this presentation.



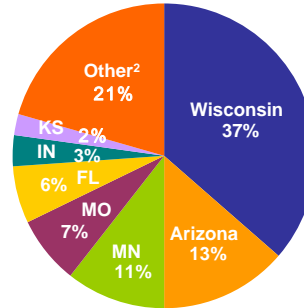
Diversified loan portfolio mitigates risk

Total loans at June 30, 2009: \$48 billion

By loan category



By state¹



¹ Geography based on property zip code.

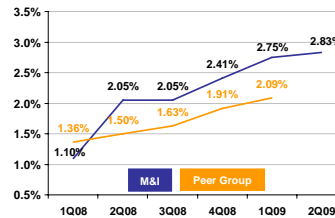
² Other geography includes Illinois (5%) and states < 2% (16%).



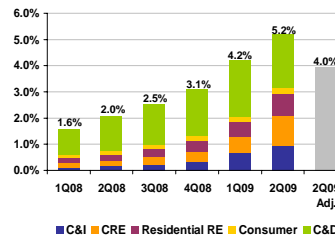
Active credit management

- Challenges well understood and manageable
- Identifying and writing down problem credits
 - \$421 million of current loans are classified as nonperforming
- Proactively selling problem real estate loans
 - Sold approximately \$1.3 billion of problem loans since 1Q08
- Continuing to build reserves and reduce exposure to C&D loans
 - Reduced C&D loans to 14% of total loans from peak of 23% in 3Q07

Reserves / Period-end loans vs. peers



NPLs / Period-end loans



¹ Excluding NPLs < 90 days past due.



Strong reserve coverage

As of June 30, 2009
(\$ millions)

• Total nonperforming loans ¹	\$2,502
• Total allowance	\$1,368
– Reserve as % of total loans	2.83%
• Loan loss coverage ratio	56% ²
• Lifetime charge-offs on total nonperforming loans	\$726 (23% haircut)

NPLs subject to specific impairment analysis

– Total NPLs (net of charge-offs) subject to specific impairment analysis	\$1,661
– Reserves based on specific impairment analysis	\$235
– Loans reviewed quarterly for impairment	
– Lifetime charge-offs of \$578M (26% haircut)	

NPLs not subject to specific impairment analysis

– Total NPLs not subject to specific impairment analysis.....	\$841
– Reserves net of specific allocation.....	\$1,133
– Coverage ratio of loans not subject to specific impairment analysis.....	135%

¹ Includes \$74 million of nonperforming loans held for sale.

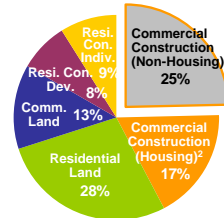
² Loan loss coverage ratio excludes nonperforming loans held for sale.



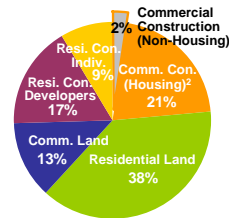
Construction & development loans

- Total balance of \$7 billion (14% of total loans)
- Total nonperforming loans of \$996 million (40% of total NPLs)
- Primarily single and multi-family housing; limited commercial and retail development
- Non-housing commercial construction (25% total C&D loans) represents only 2% of total C&D nonperforming loans
- Aggressively shrinking portfolio
 - Proactively restructuring, charging off, and selling loans
 - Currently 14% of total loans vs. 23% in 3Q07
 - C&D loans have decreased \$3.3B or 33% vs. 3Q07
 - Targeting 10% of total loans

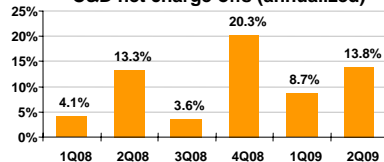
Total C&D loans (\$7 billion)



Nonperforming C&D loans (\$996 million)



C&D net charge-offs (annualized)

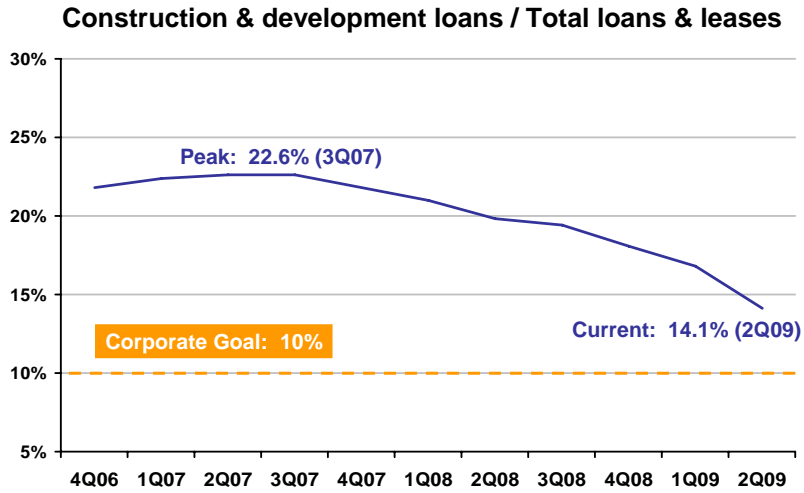


¹ Includes commercial & industrial and agricultural real estate C&D loans.

² Includes land and residential property loans.



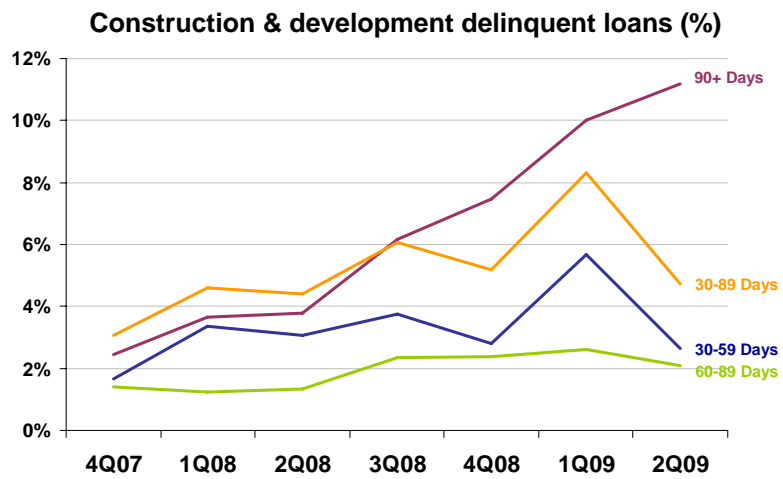
Reducing exposure to C&D loans



Note: C&D are construction and development loans; figures based on period-end balances.

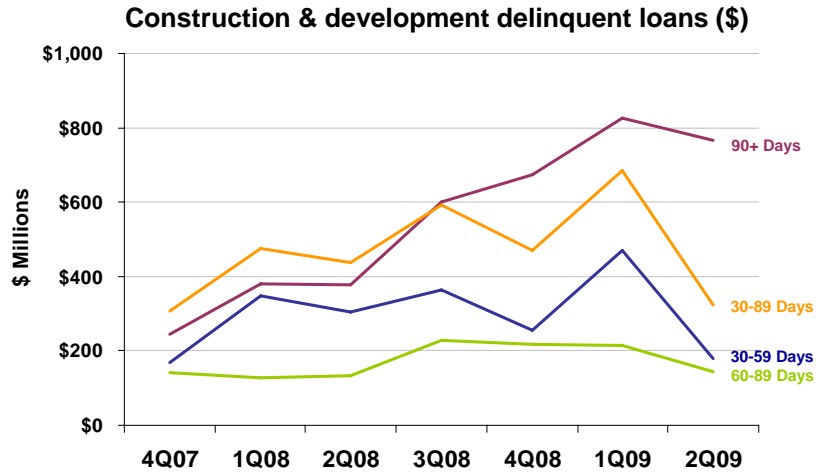


C&D delinquency trends



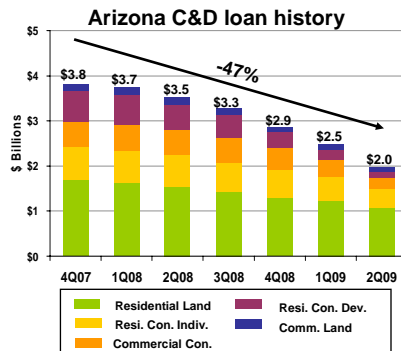


C&D delinquency trends



Arizona C&D loans

- Aggressively shrinking Arizona C&D portfolio
 - C&D loans have decreased \$1.8 billion or 47% since 4Q07



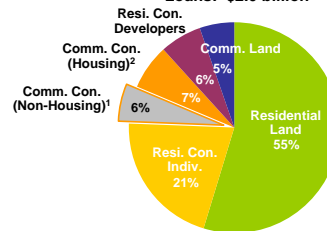
Note: Geography based on property zip code.

¹ Includes commercial & industrial and agricultural real estate C&D loans.

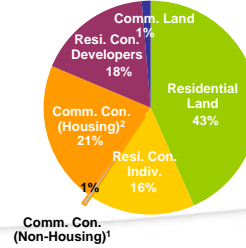
² Includes land and residential property loans.

June 30, 2009

Loans: \$2.0 billion



Nonperforming: \$436 million or 22.1% loans

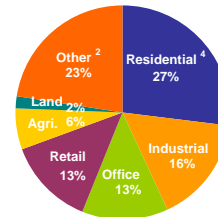




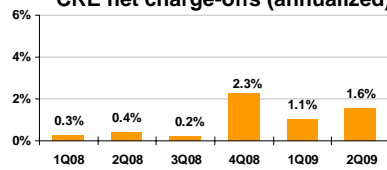
Commercial real estate loans¹

- Total balance of \$14 billion (29% of total loans)
- Total nonperforming loans of \$559 million (22% of total NPLs)
 - 4.0% of total CRE loans in nonperforming status

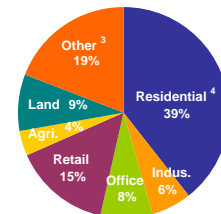
Total CRE loans (\$14 billion)



CRE net charge-offs (annualized)



Nonperforming CRE loans (\$559 million)



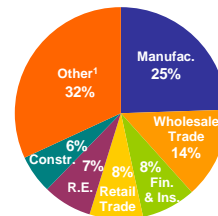
¹ CRE does not include commercial land & construction loans.
² Other category includes Lodging (6%), Medical Facilities (4%), & other < 3% (13%).
³ Other category includes Lodging (12%) & other < 2% (7%).
⁴ Over 90% are multi-family loans and business purpose loans backed by a 1-4 family residence.



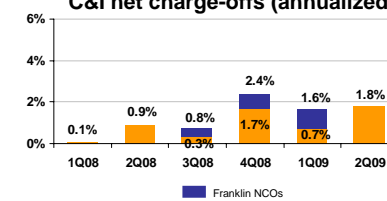
Commercial & industrial loans

- Total balance of \$15 billion (31% of total loans)
- Total nonperforming loans of \$448 million (18% of total NPLs)
 - NPLs driven by finance & insurance sector stress
- Approximately 35% of NCOs in 2Q09 are housing related
- Reduced exposure to Franklin loans
 - Written down by 53%
 - \$49 million of remaining exposure (\$48 million on restructured status, \$1 million on nonperforming status)
 - No Franklin charge-offs in 2Q09

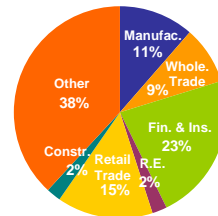
Total C&I loans (\$15 billion)



C&I net charge-offs (annualized)



Nonperforming C&I loans (\$448 million)



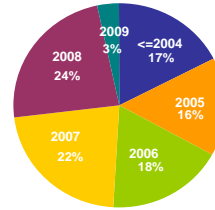
¹ Other category includes Professional (5%), Management Companies (4%), Health Care (4%), Ag. Forestry Fishing Hunting (3%), Transportation & Warehousing (3%), and other < 3% (13%).



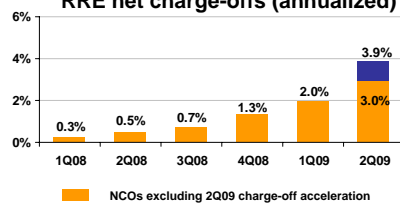
Residential real estate loans

- Total balance of \$6 billion (12% of total loans)
 - Mostly prime with no option ARMS or subprime
- Total nonperforming loans of \$403 million (16% of total NPLs)
- Arizona has realized the most deterioration
 - 11.8% in nonperforming status
 - Average loan size: \$330,000

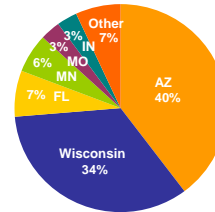
Residential RE by vintage



RRE net charge-offs (annualized)



Residential RE by geography ¹



¹ Geography based on property zip code.

Note: All figures as of June 30, 2009.

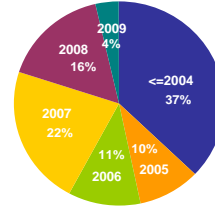


Home equity lines & loans

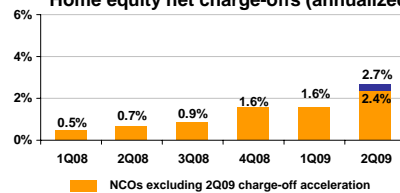
- Total balance of \$4.9 billion (10% of total loans)
 - Consists of 56% lines and 44% loans
 - 46% secured by first mortgage
 - 58% HELOC drawn
- Total nonperforming loans of \$87 million (4% of total NPLs)
- Net charge-offs running at 2.7%

Home equity by vintage

(Sold majority of 2005 & 2006 originations)

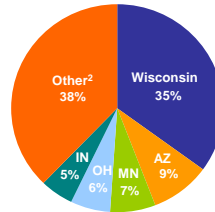


Home equity net charge-offs (annualized)



Home equity by geography ¹

(Low Arizona exposure)



¹ Geography based on property zip code.

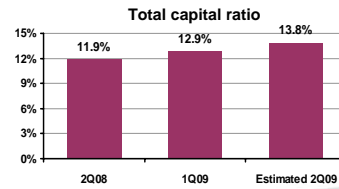
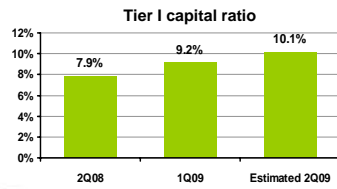
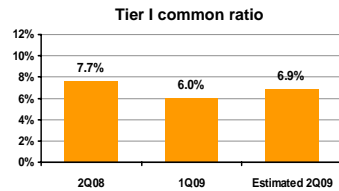
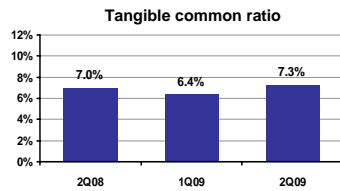
² Other geography includes Florida (4%), Missouri (4%), Illinois (3%), and states < 3% (27%).

Note: All figures as of June 30, 2009.



Solid capital foundation

- \$552 million capital raise strengthens historically strong capital position
- Tangible common ratio among the highest in peer group
 - Strong historic focus on common equity component of capital
- Solid pre-tax, pre-provision earnings further enhance capital base and ability to withstand losses from adverse stress scenario



Appendix A

Loan portfolio summary

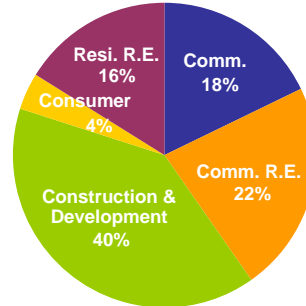
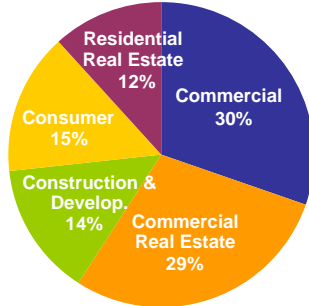


Total loans by asset class

June 30, 2009

Loans: \$48 billion

Nonperforming: \$2.5 billion or 5.2% loans

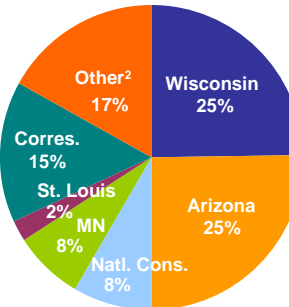
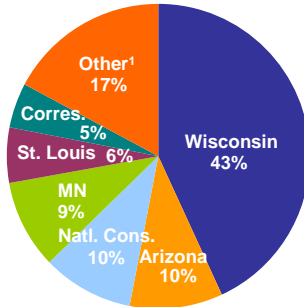


Total loans by M&I business unit

June 30, 2009

Loans: \$48 billion

Nonperforming: \$2.5 billion or 5.2% loans



¹ Other category includes Kansas City (5%), Florida (4%), Indiana (4%), Private Banking (3%), and Other (1%).

² Other category includes Florida (7%), Kansas City (5%), Indiana (3%), and Private Banking (2%).

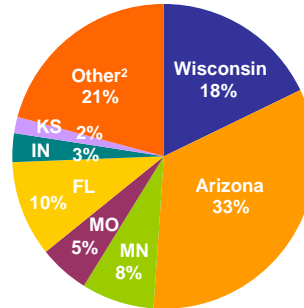
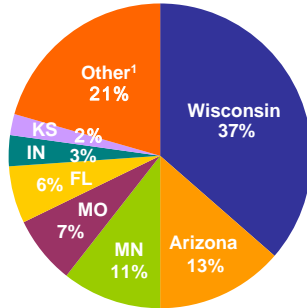


Total loans by property zip code

June 30, 2009

Loans: \$48 billion

Nonperforming: \$2.5 billion or 5.2% loans



¹ Other category includes Illinois (5%) and states < 2% (16%).

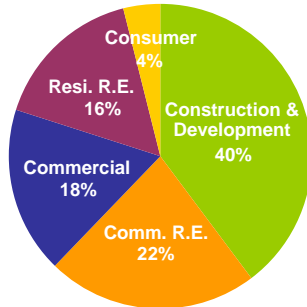
² Other category includes Illinois (7%), California (3%) and states < 3% (11%).



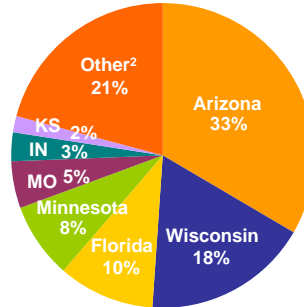
Total nonperforming loans

Nonperforming loans at June 30, 2009: \$2.5 billion

By loan category



By state¹



¹ Geography based on property zip code.

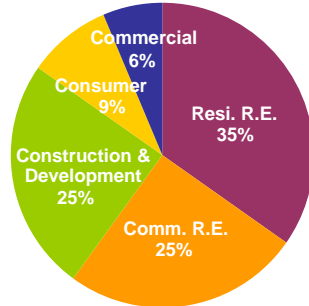
² Other category includes Illinois (7%), California (3%) and states < 3% (11%).



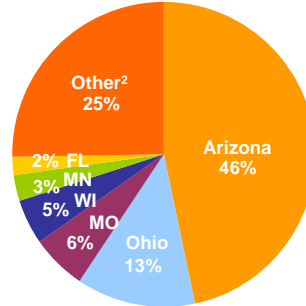
Total renegotiated loans

Renegotiated loans at June 30, 2009: \$833 million

By loan category



By state¹



¹ Geography based on property zip code.

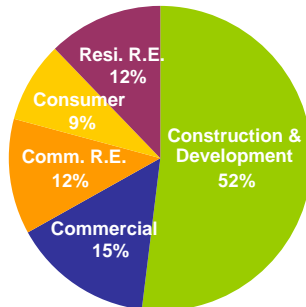
² Other category includes Massachusetts (4%), Connecticut (4%), Nebraska (4%), and states < 2% (13%).



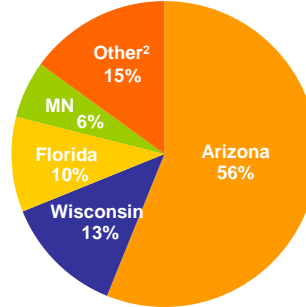
Total net charge-offs

Net charge-offs for 2009 second quarter: \$453 million

By loan category



By state¹



¹ Geography based on property zip code.

² Other category includes Texas (4%), Nevada (3%), Missouri (2%) and states < 2% (6%).



Appendix B

Construction & development loans (C&D)

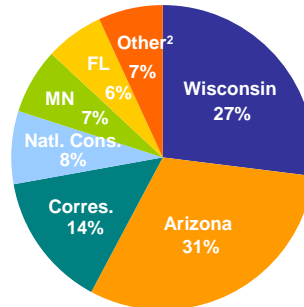
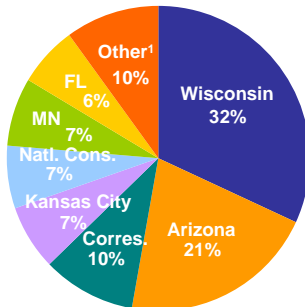


C&D loans by M&I business unit

June 30, 2009

Loans: \$7 billion
(peak \$10 billion 1Q08)

Nonperforming: \$996 million or 14.6% loans



¹ Other category includes Indiana (5%), St. Louis (4%) and Private Banking (1%).

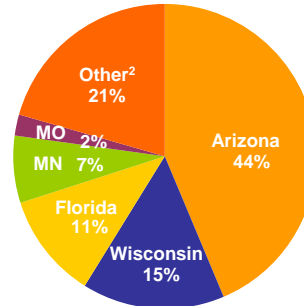
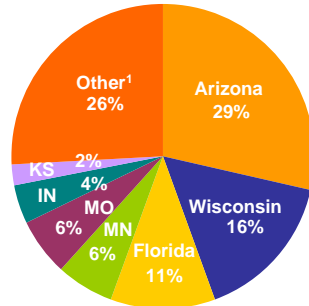
² Other category includes Kansas City (4%), Indiana (2%) and St. Louis (1%).

C&D loans by property zip code

June 30, 2009

Loans: \$7 billion
(peak \$10 billion 1Q08)

Nonperforming: \$996 million or 14.6% loans



¹ Other category includes Illinois (7%), California (3%), Texas (3%), and states < 3% (13%).

² Other category includes Illinois (8%), and states < 3% (13%).

C&D loans – highlights

\$ Millions	Commercial		Residential		
	Construction	Land	Constr. By Individuals	Land	Constr. By Developers
Total loan portfolio size	\$2,884	\$905	\$599	\$1,898	\$543
Average loan size	4.8	1.0	0.5	0.2	0.9
Total non-performing loans	235	128	84	378	170
Largest non-performing loan	33	11	5	16	17
Average non-performing loan	4.0	1.6	0.6	0.4	1.0
# NPLs > \$5 million by \$ range					
> \$10 million	8	4	0	4	2
\$5 - \$9.9 million	6	4	0	5	6
Total	14	8	0	9	8
# NPLs > \$5 million by state ¹					
Arizona	4	0	0	0	2
Florida	2	2	0	1	2
Illinois	3	3	0	0	0
Missouri	0	1	0	1	0
Wisconsin	1	1	0	4	1
Other states	4	1	0	3	3
Total	14	8	0	9	8

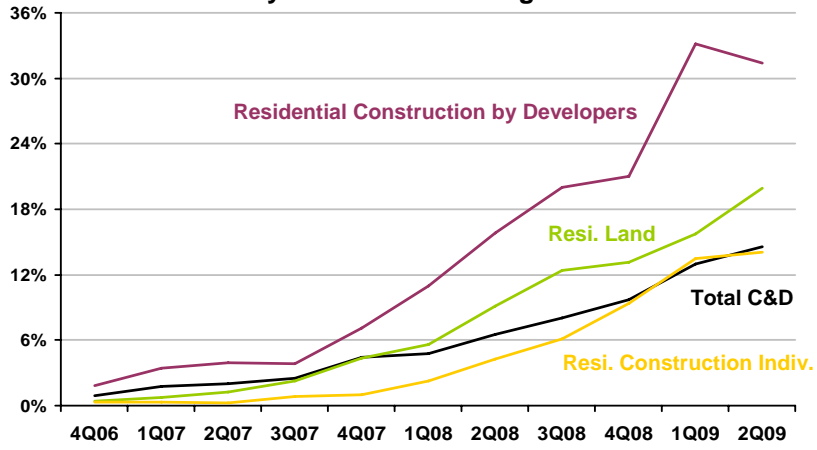
Note: All figures as of June 30, 2009.

¹ Geography based on property zip code.



C&D nonperforming loans

Nonperforming loans / Period-end loans
by selected loan categories

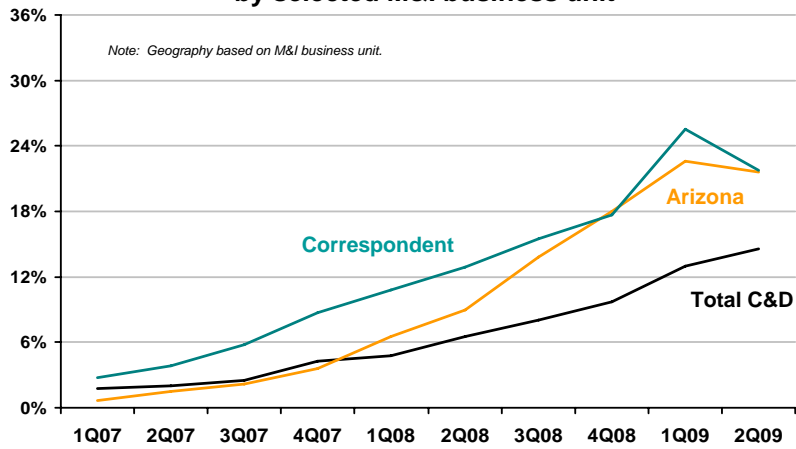


Note: Except for total loans, the ratio is based on previous nonperforming loans definition prior to 4Q07.



C&D nonperforming loans

Nonperforming loans / Period-end loans
by selected M&I business unit



Note: Geography based on M&I business unit.

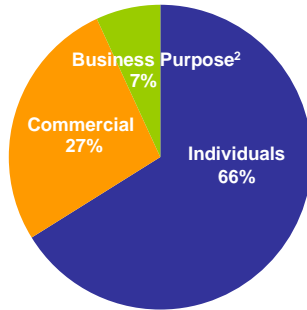
Note: Except for total loans, the ratio is based on previous nonperforming loans definition prior to 4Q07.



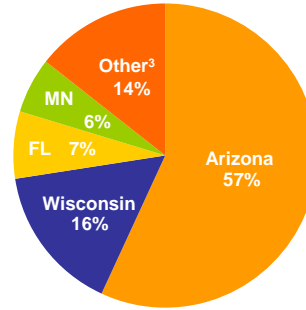
Total residential land loans

Loans outstanding at June 30, 2009: \$1.9 billion

By customer type



By state¹



¹ Geography based on property zip code.

² Loans to mid-sized local and regional builders to acquire and develop land for 1-4 family homes.

³ Other category includes Kansas (3%), Nevada (2%), Hawaii (2%), Missouri (2%) and other states (5%).

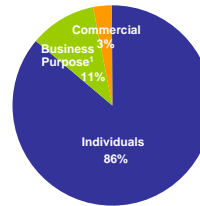


Arizona residential land loans

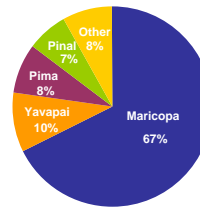
Key Statistics at June 30, 2009

- Total loans outstanding: \$1,080 million
- Total nonperforming loans: \$189 million or 17.5%
- Loans to individuals
 - Loans outstanding: \$930 million
 - Average loan size: \$190,543
 - Nonperforming loans: \$146 million or 15.7%
- Loans to individuals (Maricopa County)
 - Loans outstanding: \$618 million
 - Average loan size: \$237,275
 - Nonperforming loans: \$104 million or 16.9%

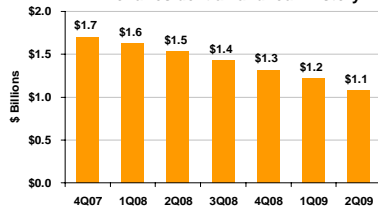
By customer type



By county²



Arizona residential land loan history



¹ Loans to mid-sized local and regional builders to acquire and develop land for 1-4 family homes.

² Geography based on property zip code.



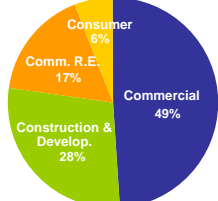
Correspondent banking loans

Total loans outstanding: \$2.3 billion

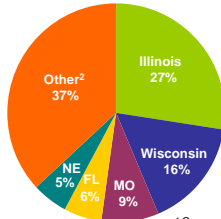
C&D loans outstanding: \$667 million

June 30, 2009

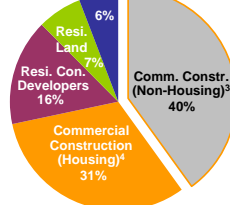
By loan category



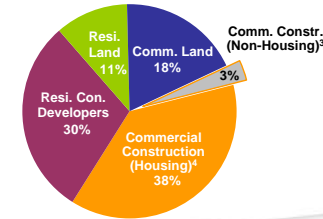
By state¹



Comm. Land



Nonperforming: \$145 million or 21.8% loans



¹ Geography based on property zip code.
² Other category includes Utah (5%), California (4%), Texas (4%) and states < 4% (24%).
³ Includes commercial & industrial and agricultural real estate C&D loans.
⁴ Includes land and residential property loans.



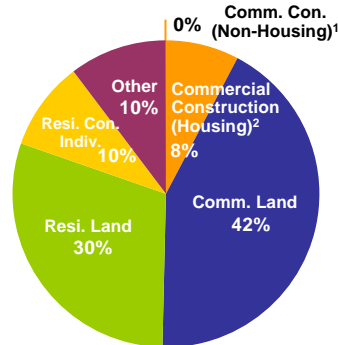
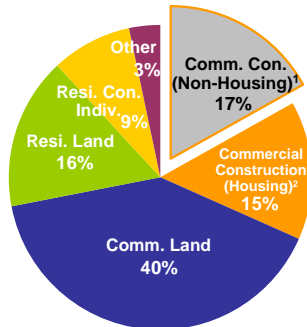
Florida C&D loans

June 30, 2009

Note: Geography based on M&I business unit.

Loans: \$454 million

Nonperforming: \$59 million or 13.1% loans



¹ Includes commercial & industrial and agricultural real estate C&D loans.
² Includes land and residential property loans.



C&D loans – definitions

- Commercial construction – Loans primarily to mid-sized local and regional companies to construct a variety of commercial projects, including farmland, industrial, multi-family, office, retail, single-family and condominiums.
- Commercial land – Loans primarily to mid-sized local and regional companies to acquire and develop land for a variety of commercial projects, including farmland, industrial, multi-family, office, retail, single-family, and condominiums.
- Residential construction by individuals – Loans to individuals to construct 1-4 family homes.
- Residential land – Loans primarily to individuals and mid-sized local and regional builders to acquire and develop land for 1-4 family homes.
- Residential construction by developers – Loans primarily to mid-sized local and regional builders to construct 1-4 family homes in residential subdivisions.



Appendix C

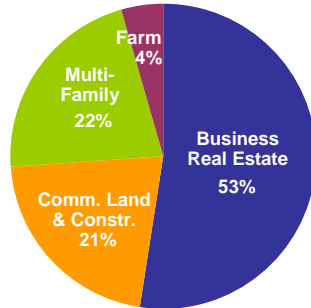
Commercial real estate loans (CRE)



Total commercial real estate loans

Loans outstanding at June 30, 2009: \$17.7 billion

By loan category



Property Type	Total Commercial Real Estate Loans		
	\$ Millions	% Total	NPL %
Commercial & Industrial			
Industrial	\$2,428	14	1.4
Retail	2,518	14	3.9
Office	2,382	13	2.1
Other ¹	3,243	18	3.4
Total C&I²	\$10,571	60	2.8
Land	1,442	8	15.0
Residential Property	4,709	27	8.3
Agricultural Real Estate	893	5	2.4
Other	113	1	0.0
Total	\$17,728	100	5.2

¹ Other category includes Lodging (6%), Medical (4%), Vehicle Dealership (2%), and other < 2% (6%).

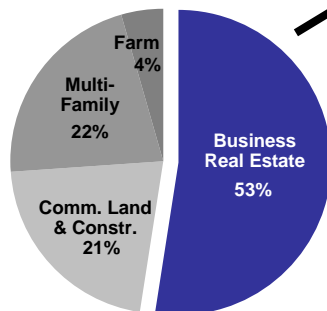
² Geographic distribution is Wisconsin (34%), Minnesota (13%), Arizona (10%), Missouri (10%), Florida (9%), Illinois (5%), Indiana (4%), Kansas (3%), and other states <2% (12%).
Totals may not foot due to rounding.



Business real estate loans

Loans outstanding at June 30, 2009: \$9.3 billion

By loan category



Property Type	Business Real Estate Loans		
	\$ Millions	% Total	NPL %
Commercial & Industrial			
Industrial	\$2,267	24	1.5
Retail	1,867	20	4.3
Office	1,851	20	2.4
Other ¹	2,834	30	3.8
Total C&I	\$8,819	95	3.0
Land	190	2	6.1
Residential Property	98	1	16.2
Agricultural Real Estate	112	1	0.6
Other	92	1	0.0
Total	\$9,312	100	3.2

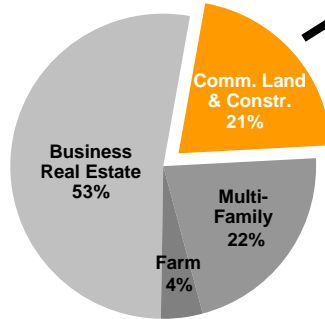
¹ Other category includes Lodging (9%), Medical (6%), Vehicle Dealership (4%), Gas Station (4%), Restaurant (3%), and other < 2% (4%).
Totals may not foot due to rounding.



Commercial land & construction loans

Loans outstanding at June 30, 2009: \$3.8 billion

By loan category



Property Type	Comm. Land & Construction Loans		
	\$ Millions	% Total	NPL %
Commercial & Industrial			
Industrial	\$156	4	0.5
Retail	648	17	2.6
Office	520	14	1.1
Other ¹	390	10	0.6
Total C&I	\$1,714	45	1.5
Land	1,188	31	14.1
Residential Property	878	23	19.2
Agricultural Real Estate	8	0	1.9
Other	2	0	0.0
Total	\$3,790	100	9.6

¹ Other category includes Lodging (5%), Medical (2%), and other < 2% (3%).
Totals may not foot due to rounding.



Appendix D

Supplemental financial information



Adjusted reserve coverage calculation

Marshall & Ilsley Corporation

Reconciliation of Actual Loan Loss Reserve Coverage Ratio of Nonperforming Loans & Leases To Adjusted Loan Loss Reserve Coverage Ratio of Nonperforming Loans & Leases

Reconciliation - Period End Balances Millions \$				
Coverage Ratio Components	2nd Quarter		1st Quarter	
	2009	% Total	2009	% Total
Reserve for Loans & Lease Losses	\$1,367.8	100%	\$1,352.1	100%
Less Reserve for Specifically Analyzed Nonperforming Loans (1)	234.8	17%	158.7	12%
Adjusted Reserve for Loans & Lease Losses	\$1,133.0	83%	\$1,193.4	88%
Total Nonperforming Loans & Leases	\$2,502.0	100%	\$2,074.6	100%
Less Specifically Analyzed Nonperforming Loans	1,661.0	66%	1,239.8	60%
Adjusted Total Nonperforming Loans & Leases	\$841.0	34%	\$834.8	40%
Coverage Ratio				
Reserve for Loans & Lease Losses / Total Nonperforming Loans & Leases (Excluding Held for Sale)	56%		69%	
Adjusted Reserve for Loans & Lease Losses / Adjusted Total Nonperforming Loans & Leases (Including Held for Sale)	135%		143%	

(1) In addition, partial charge-offs have been taken against the specifically analyzed loans.



Adjusted earnings calculation

Marshall & Ilsley Corporation

Reconciliation of Adjusted Pre-Tax Pre-Provision Income from Continuing Operations to Net Income (Loss) Available to Common Shareholders

Reconciliation - Millions \$	3 Months	3 Months	2008	2007	Full Year		
	Ended 06/30/09	Ended 03/31/09			2006	2005	2004
Adjusted Pre-Tax Pre-Provision Income from Continuing Operations	\$243.9	\$232.9	\$1,069.8	\$1,030.4	\$1,005.7	\$909.6	\$824.0
Goodwill Impairment	-	-	(1,535.1)	-	-	-	-
Pre-Tax Provision for Loan & Lease Losses	(468.2)	(477.9)	(2,037.7)	(319.8)	(50.6)	(44.8)	(38.0)
Total Adjustments	(468.2)	(477.9)	(3,572.8)	(319.8)	(50.6)	(44.8)	(38.0)
Pre-Tax Income (Loss)	(224.3)	(245.0)	(2,503.0)	710.6	955.1	864.8	786.0
Provision (Benefit) for Income Taxes	(110.0)	(153.0)	(459.5)	213.7	307.4	278.1	257.0
Income (Loss) from Continuing Operations	(114.3)	(92.0)	(2,043.5)	496.9	647.7	586.7	529.0
Discontinued Operations, net of tax	-	-	-	(25.3)	-	-	-
Separation Transaction Costs	-	-	-	525.6	-	-	-
Gain on Sale of Metavante	-	-	-	153.7	160.1	119.5	76.9
Metavante Net Income	-	-	-	1,150.9	807.8	706.2	605.9
Net Income (Loss) Attributable to M&I	(114.3)	(92.0)	(2,043.5)	1,150.9	807.8	706.2	605.9
Preferred Dividends	(25.0)	(24.9)	(12.7)	-	-	-	-
Net Income (Loss) Available to Common Shareholders	(\$139.3)	(\$116.9)	(\$2,056.2)	\$1,150.9	\$807.8	\$706.2	\$605.9