



Marshall & Ilsley Corporation Credit Quality Second Quarter 2008



Forward-looking statements

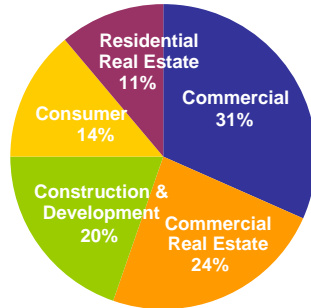
This presentation contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include, without limitation, statements regarding expected financial and operating activities and results that 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 volatile commercial and residential real estate markets, which could result in increased charge-offs and increases in M&I's allowance for loan and lease losses to compensate for potential losses in its real estate loan portfolio, (ii) adverse changes in the financial performance and/or condition of M&I's borrowers, which could impact repayment of such borrowers' outstanding loans, (iii) those factors referenced in Item 1A. Risk Factors in M&I's annual report on Form 10-K for the year ended December 31, 2007 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 report.



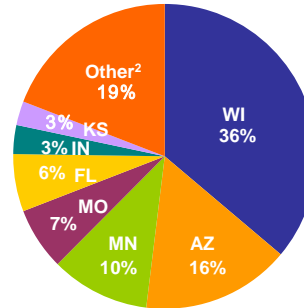
Total loans

Loans outstanding at June 30, 2008: \$50.2 billion

By Loan Category



By State¹



¹ Geography based on property zip code.

² Other category includes Illinois (5%) and states < 2% (14%).



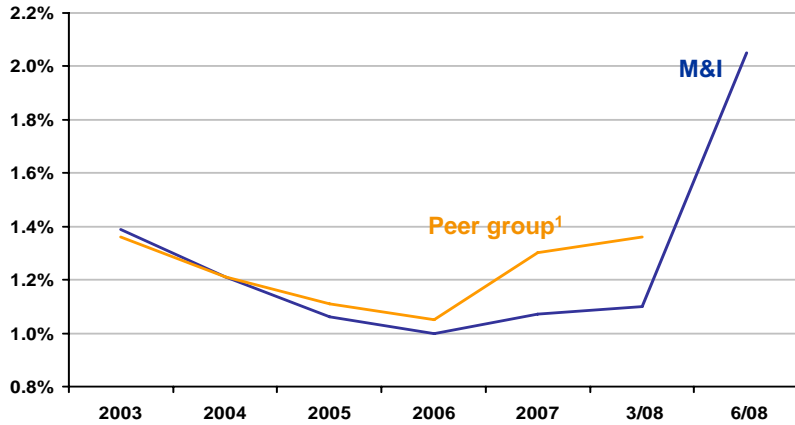
Credit quality ratios

	2Q07	1Q08	2Q08
Loan Loss Reserve / Period-End Loans	1.00%	1.10%	2.05%
Loan Loss Reserve / Non-Performing Loans	112%	69%	99%
Non-Performing Loans / Period-End Loans	0.89%	1.60%	2.07%
Non-Perf. Assets / Period-End Loans + OREO	0.94%	1.95%	2.47%
Net Charge-Offs / Average Loans	0.22%	1.08%	3.23%



Enhanced reserve against credit loss

Loan & Lease Loss Reserve to Period-End Loans & Leases



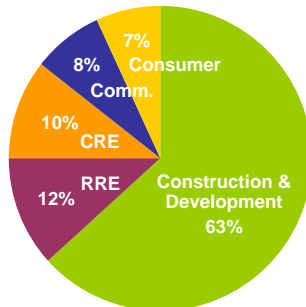
¹ Peer group consists of 16 U.S. banking companies with assets from \$22 - \$179 billion.



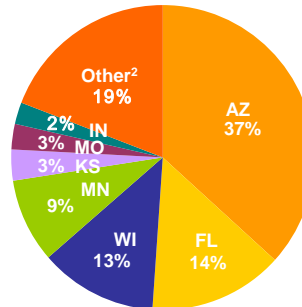
Total non-performing loans

Non-performing loans at June 30, 2008: \$1.0 billion

By Loan Category



By State¹



¹ Geography based on property zip code.

² Other category includes Illinois (5%) and states < 3% (14%).



Total non-performing loans¹ – key statistics

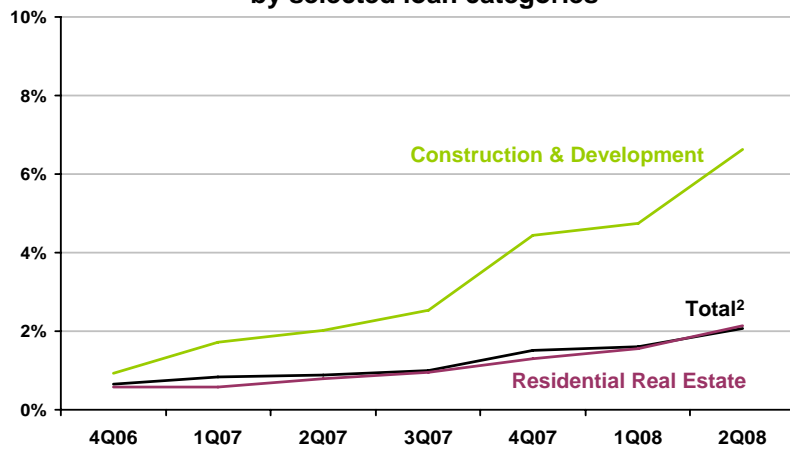
- Approximately 20% are past due less than 30 days; 33% are past due less than 90 days
- \$386 million in partial charge-offs taken against NPLs—approximately 27% of unpaid principal balance
- Largest non-performing loan (\$34 million)
- Average non-performing loan (\$307,000)
- Number of non-performing loans by dollar range
 - > Greater than \$20 million (1)
 - > \$10 - \$19.9 million (6)
 - > \$5 - \$9.9 million (23)

¹ As of June 30, 2008.



Total non-performing loans

Non-performing loans¹ / Period-end loans
by selected loan categories



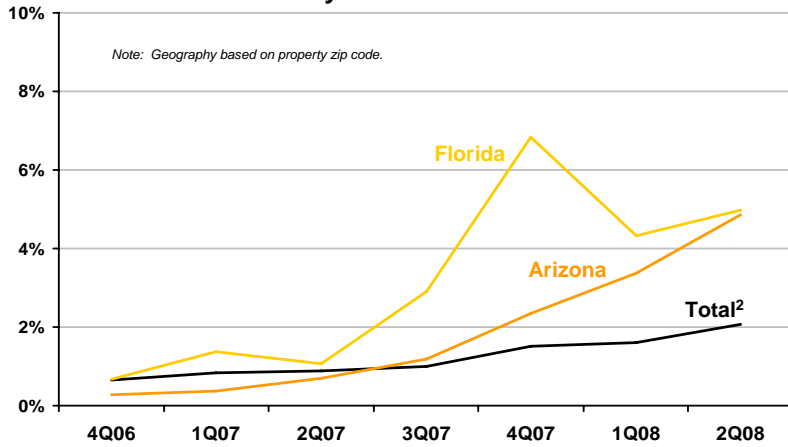
¹ Includes loans 90+ day past due and still accruing interest.

² Total non-performing loans exclude Franklin Credit Management Corp. (\$224 million) in 4Q07.



Total non-performing loans

Non-performing loans¹ / Period-end loans by selected states



¹ Includes loans 90+ day past due and still accruing interest.

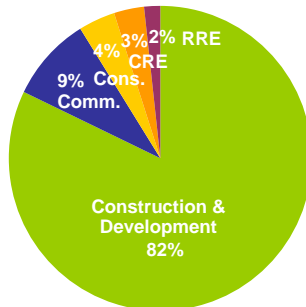
² Total non-performing loans exclude Franklin Credit Management Corp. (\$224 million) in 4Q07.



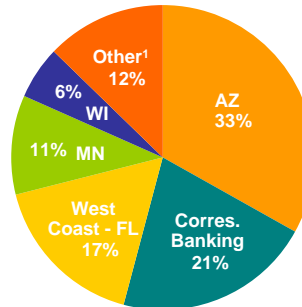
Total net charge-offs

Net charge-offs for 2008 second quarter: \$400.7 million

By Loan Category



By M&I Business Unit



¹ Other category includes Central States (6%), National Consumer Banking (3%), St. Louis (2%), and M&I business units < 1% (1%).



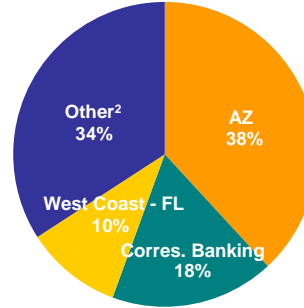
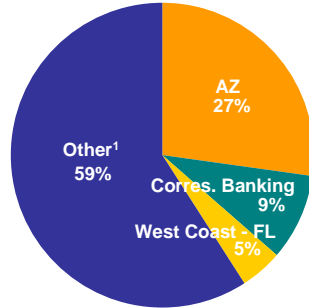
Construction & development loans (C&D)

June 30, 2008

Note: Geography based on M&I business unit.

Loans: \$10.0 billion

NPLs: \$660.7 million or 6.63% loans



¹ Other category includes Wisconsin (29%), Central States (7%), National Consumer (7%), Minnesota (6%), and states < 4% (10%).
² Other category includes National Consumer (9%), Minnesota (9%), Wisconsin (6%), Central States (4%), and states < 4% (6%).



C&D loans¹ – key statistics

\$ Millions	Commercial		Residential		
	Construction	Land	Constr. By Individuals	Land	Constr. By Developers
Total loan portfolio size	\$4,362.8	\$991.8	\$1,012.9	\$2,304.4	\$1,297.0
Average loan size	2.8	0.8	0.4	0.2	1.0
Total non-performing loans	169.4	21.5	44.7	218.6	206.5
Largest non-performing loan	12.9	6.7	< 1.0	14.1	34.0
Average non-performing loan	1.6	0.6	0.5	0.4	1.1
# NPLs > \$5 million by \$ range					
> \$20 million	0	0	0	0	1
\$10 - \$19.9 million	3	0	0	1	1
\$5 - \$9.9 million	6	1	0	2	9
Total	9	1	0	3	11
# NPLs > \$5 million by state ²					
Arizona	0	0	0	2	5
Florida	4	1	0	1	2
Illinois	1	0	0	0	1
Kansas	1	0	0	0	0
Minnesota	0	0	0	0	1
Wisconsin	1	0	0	0	1
Other states	2	0	0	0	1
Total	9	1	0	3	11

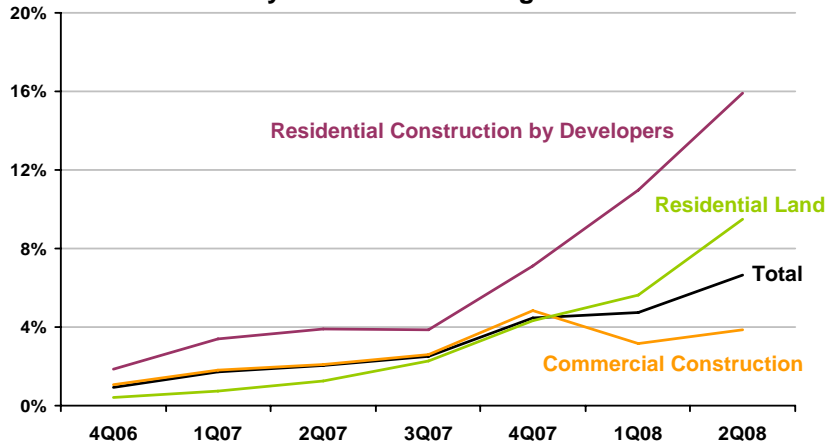
¹ As of June 30, 2008.

² Geography based on property zip code.



C&D non-performing loans

Non-performing loans¹ / Period-end loans
by selected loan categories

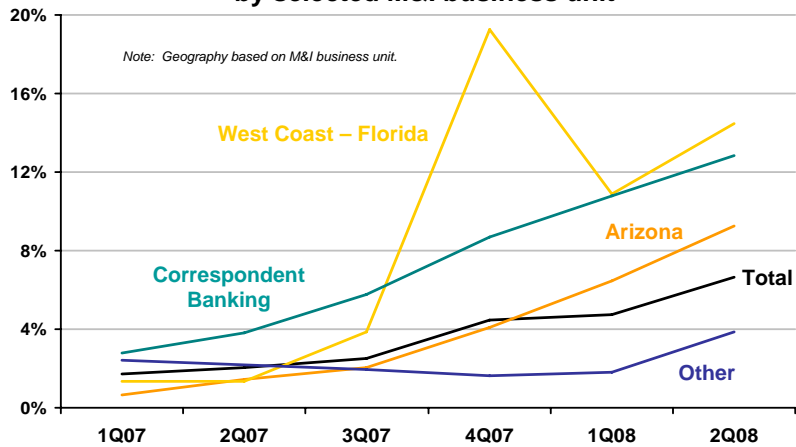


¹ Includes loans 90 + day past due and still accruing interest.



C&D non-performing loans

Non-performing loans¹ / Period-end loans
by selected M&I business unit



¹ Includes loans 90 + day past due and still accruing interest.

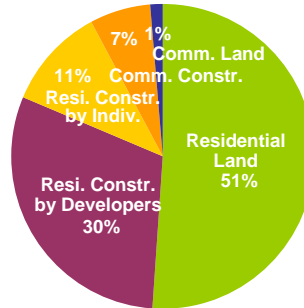
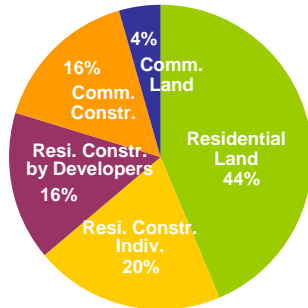


Arizona C&D loans

June 30, 2008

Loans: \$3.5 billion

NPLs: \$300 million or 8.55% loans

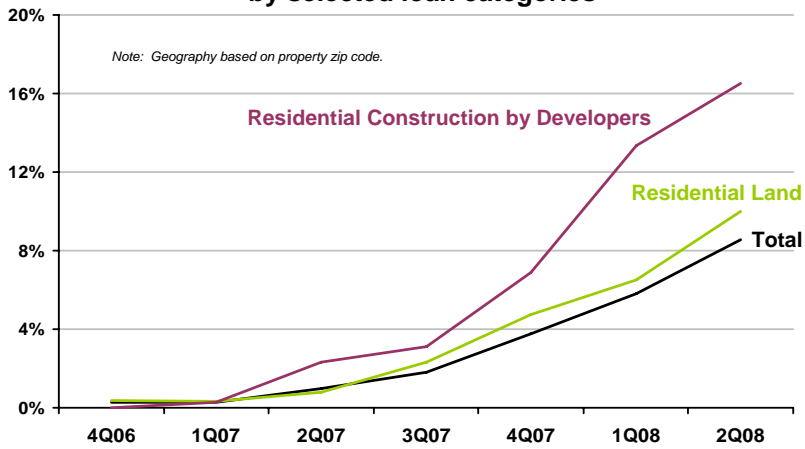


Note: Geography based on property zip code; numbers include M&I Correspondent Banking loans in market.



Arizona C&D non-performing loans

Non-performing loans¹ / Period-end loans by selected loan categories



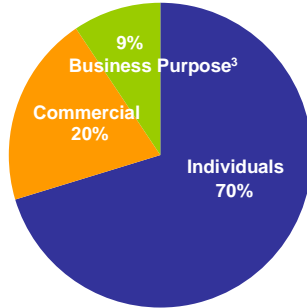
¹ Includes loans 90 + day past due and still accruing interest.



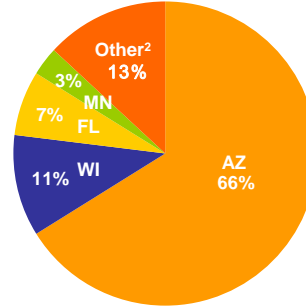
Total residential land loans

Loans outstanding at June 30, 2008: \$2.3 billion

By Customer Type



By State¹



¹ Geography based on property zip code.

² Other category includes Illinois (2%), Nevada (2%), and other states (9%).

³ Loans to mid-sized local and regional builders to acquire and develop land for 1-4 family homes.

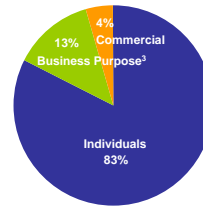


Arizona residential land loans

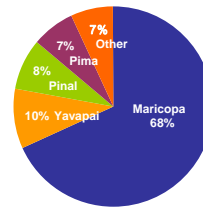
Key Statistics at June 30, 2008¹

- Total loans outstanding: \$1,530 million
- Total non-performing loans: \$153 million or 10.02%
- Loans to individuals
 - Loans outstanding: \$1,259 million
 - Average loan size: \$208,096
 - Non-performing loans: \$91 million or 7.26%
 - Original / updated FICO score: 732 / 714
 - Original / updated LTV¹: 75% / 115%
- Loans to individuals (Maricopa County)
 - Loans outstanding: \$847 million
 - Average loan size: \$259,556
 - Non-performing loans: \$64 million or 7.56%
 - Original / updated FICO score: 731 / 713
 - Original / updated LTV¹: 75% / 114%

By Customer Type



By County²



¹ Updated LTV based on market price trends.

² Geography based on property zip code.

³ Loans to mid-sized local and regional builders to acquire and develop land for 1-4 family homes.

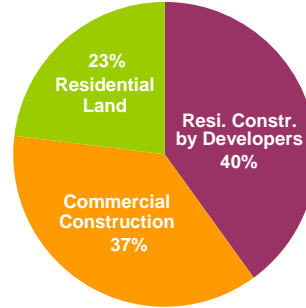
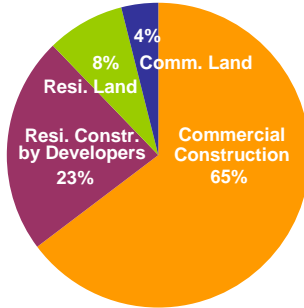


Correspondent banking C&D loans

June 30, 2008

Loans: \$903.0 million

NPLs: \$116.1 million or 12.86% loans



Note: Geography based on M&I business unit.

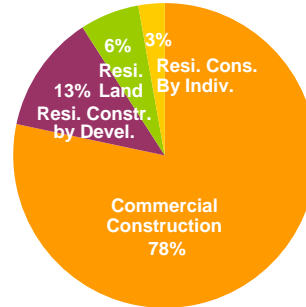
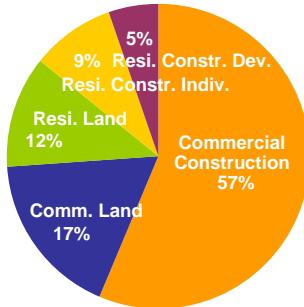


West Coast Florida C&D loans

June 30, 2008

Loans: \$461.8 million

NPLs: \$66.8 million or 14.47% loans



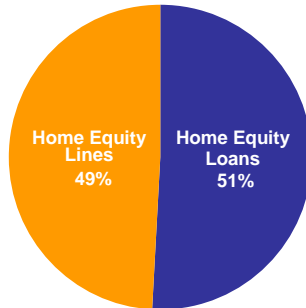
Note: Geography based on M&I business unit.



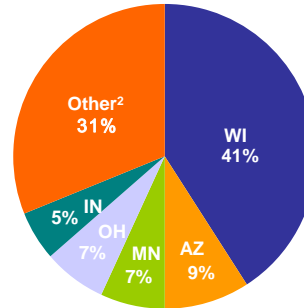
Home equity lines and loans

Loans outstanding at June 30, 2008: \$5.0 billion

By Loan Category



By State¹



¹ Geography based on property zip code.

² Other category includes Missouri (4%), Florida (3%), Georgia (3%), Illinois (3%), and states < 3% (18%).



Home equity¹ – key statistics

- Home equity loans
 - Original / updated FICO score (727 / 717)
 - Original / updated LTV² (85% / 102%)
 - % secured by first mortgage (81%)
- Home equity lines
 - Original / updated FICO score (737 / 709)
 - Original / updated LTV² (79% / 87%)
 - % secured by first mortgage (17%)
 - % drawn (53%)

¹ As of June 30, 2008.

² Updated LTV based on market price trends.



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.