



Marshall & Ilsley Corporation Credit Quality First Quarter 2009



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 press release.



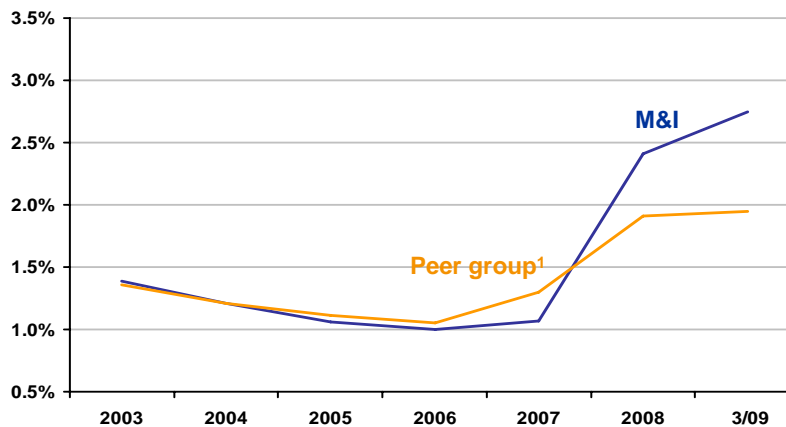
Credit strategy

- Aggressively address credit issues
 - Strengthen balance sheet
 - More than doubled allowance for loan losses to 2.75%
 - Identify and write-down problem credits
 - Moved \$673 million current loans to nonaccrual status
 - Took 24% haircut on nonaccrual loans
 - Sell problem real estate loans
 - Established special asset group (40 employees)
 - Sold approx \$1 billion of loans since first quarter of 2008
 - Relocate two senior executives to Arizona
- Permanently reduce exposure to C&D sector
 - Corporate goal: 10% of total loans
 - Lowered C&D concentration to 16.8% of total loans



Enhancing reserve against credit loss

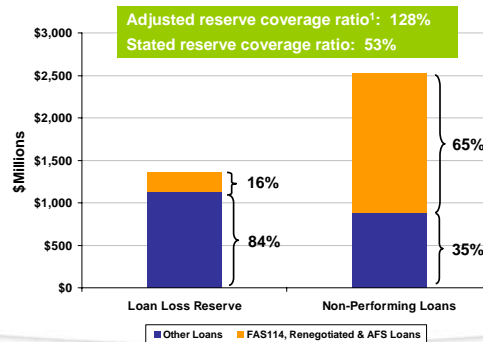
Loan & lease loss reserve / Period-end loans & leases



¹ Peer group consists of 14 U.S. banking companies with assets from \$24 - \$189 billion.
Four peers that have not released 2009Q1 results excluded for 3/09.

Strong reserve coverage of NPL's

- Nonaccrual loans >\$1 million and all renegotiated loans are assessed for impairment under FAS114
- Loans were marked to net realizable values with either a charge-off or specific reserve
- \$1.65 billion², or 65% of total non-performing loans, were subject to a FAS114 analysis
 - 24% of the unpaid principal balance of the nonaccrual loans was charged-off
 - \$222 million (16% of total loan loss reserve) was established as a specific reserve
- Non-performing loans not covered by FAS114 analysis implied an adjusted reserve coverage ratio of 128%



Note: All figures as of March 31, 2009.
¹ See reconciliation of adjusted reserve coverage ratio to stated reserve coverage ratio in Appendix A.
² Includes AFS loans that have been marked to market.

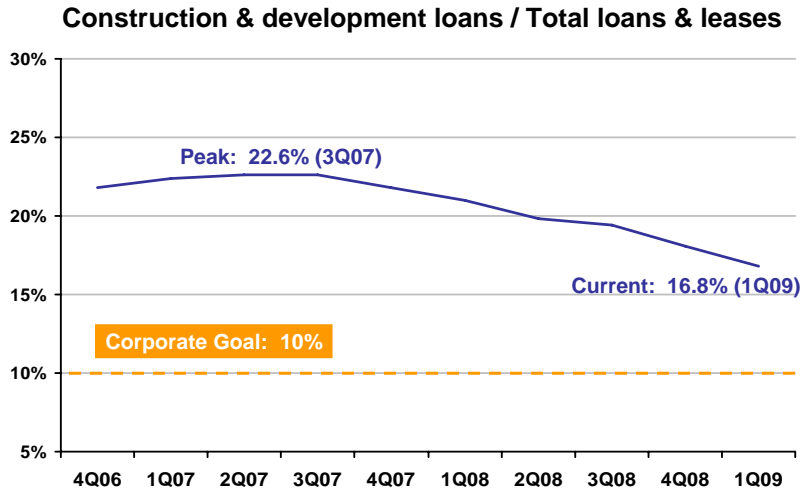
Aggressively addressing problem credits

- Approximately 27% of non-performing loans are past due less than 30 days; 37% are past due less than 90 days
- \$665 million in partial charge-offs taken against nonaccrual loans—approximately 24% of unpaid principal balance
- Average nonaccrual loan (\$349,000)
- Number of nonaccrual loans by dollar range
 - > Greater than \$10 million (27)
 - > \$5 - \$9.9 million (41)

Note: All figures as of March 31, 2009.



Reducing exposure to C&D loans



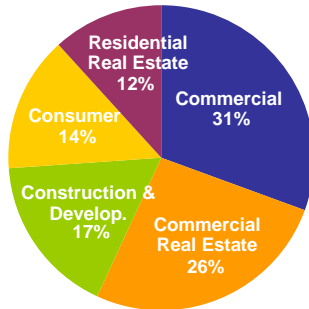
Note: C&D are construction and development loans; figures based on period-end balances.



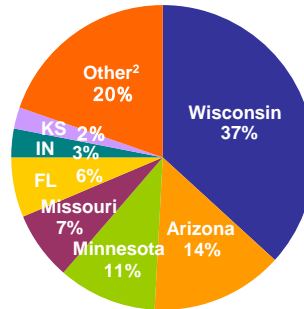
Total loans

Loans outstanding at March 31, 2009: \$49.2 billion

By Loan Category



By State¹



¹ Geography based on property zip code.

² Other category includes Illinois (5%) and states < 2% (15%).



Credit quality ratios

	1Q08	4Q08	1Q09
Net Charge-Offs / Average Loans	1.08%	5.38%	2.67%
Loan Loss Reserve / Period-End Loans	1.10%	2.41%	2.75%
Nonaccrual Loans / Period-End Loans	1.57%	3.05%	4.21%
Non-Performing Loans ¹ / Period-End Loans	1.60%	3.62%	5.15%
Loan Loss Reserve / Nonaccrual Loans	70%	79%	65%
Loan Loss Reserve / Non-Performing Loans ¹	69%	66%	53%
Adjusted LLR / Adjusted NPLs^{1,2}	--	135%	128%

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

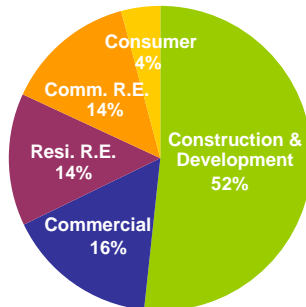
² See reconciliation of adjusted reserve coverage ratio to stated reserve coverage ratio in Appendix A.



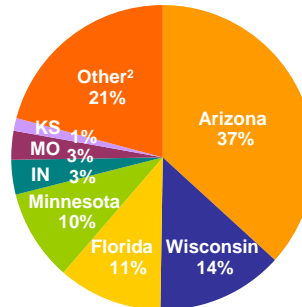
Total nonaccrual loans

Nonaccrual loans at March 31, 2009: \$2.1 billion

By Loan Category



By State¹



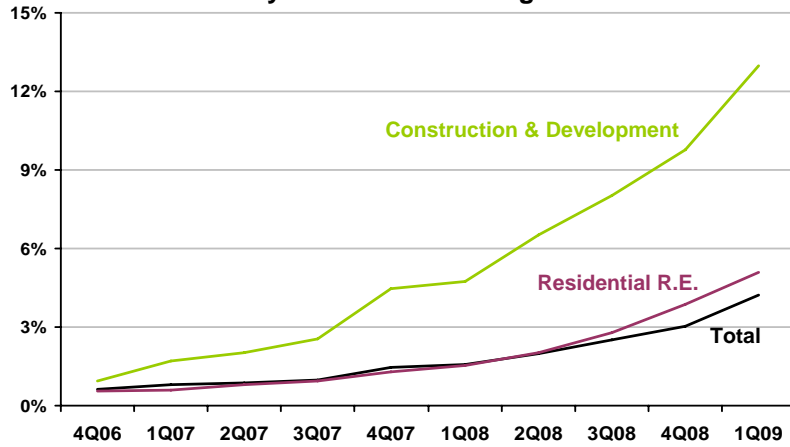
¹ Geography based on property zip code.

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



Total nonaccrual loans

Nonaccrual loans / Period-end loans
by selected loan categories

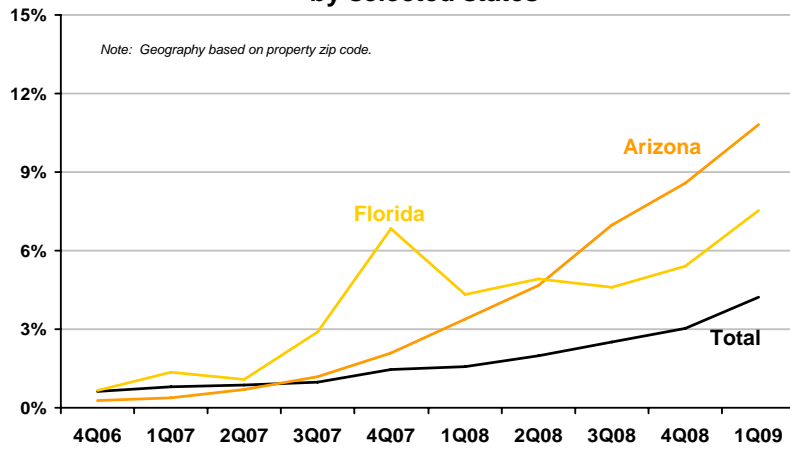


Note: Except for total loans, the ratio is based on nonperforming loans prior to 4Q07.



Total nonaccrual loans

Nonaccrual loans / Period-end loans
by selected states



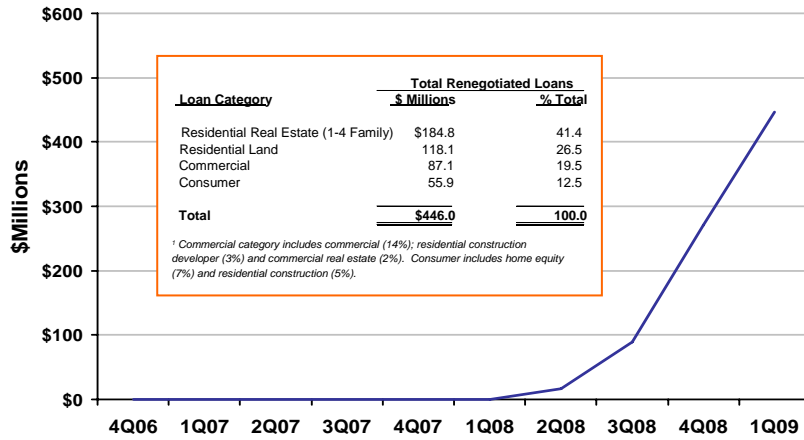
Note: Geography based on property zip code.

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



Renegotiated loans

Period-end



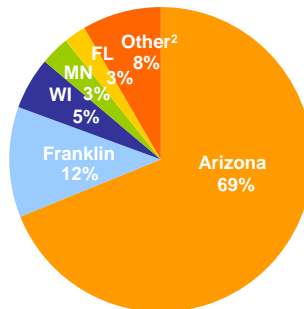
Note: Total renegotiated loans exclude Franklin Credit Management Corp. (\$224 million) in 4Q07.



Renegotiated loans

Renegotiated loans at March 31, 2009: \$446 million

By State¹



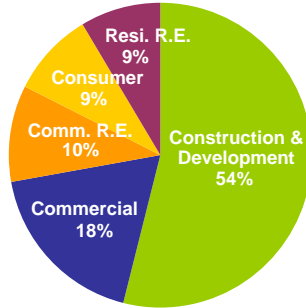
¹ Geography based on property zip code.
² Other category includes states < 2% (7%).



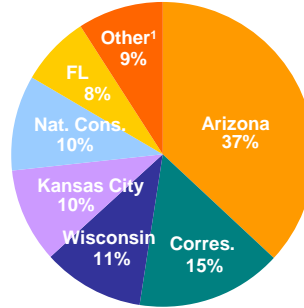
Total net charge-offs

Net charge-offs for 2009 first quarter: \$328.0 million

By Loan Category



By M&I Business Unit

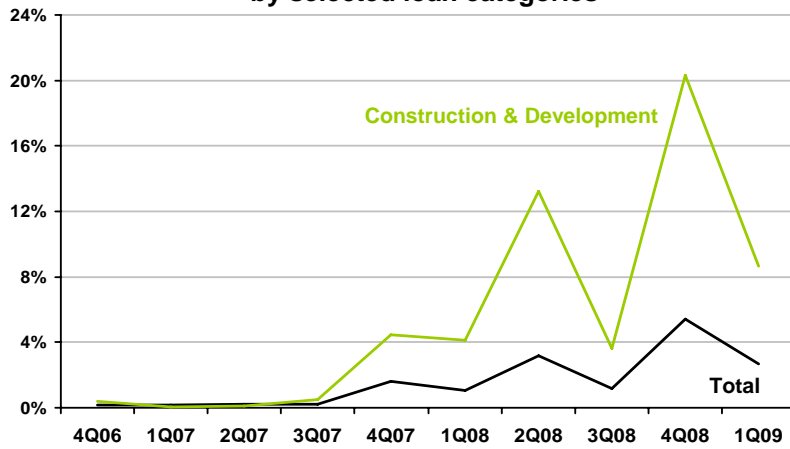


¹ Other category includes Private Banking (3%), St. Louis (3%), and M&I business units < 3% (3%).



Total net charge-offs

Net charge-offs¹ / Period-end loans
by selected loan categories



¹ Annualized.

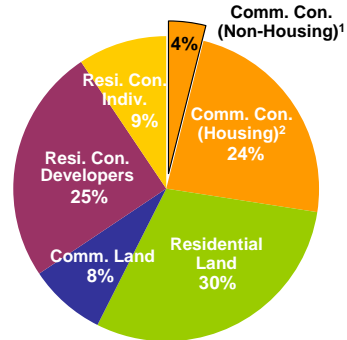
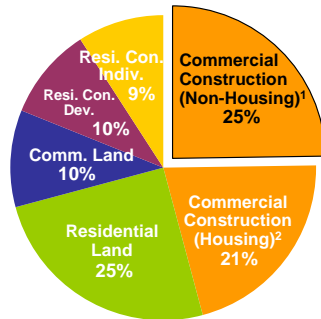


C&D loans by asset class

March 31, 2009

Loans: \$8.3 billion
(Peak \$10.4 billion 1Q08)

Nonaccruals: \$1.1 billion or 13.0% loans



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

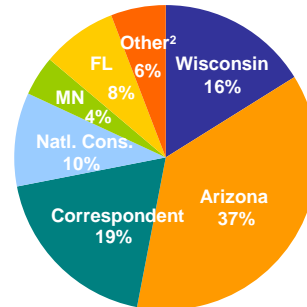
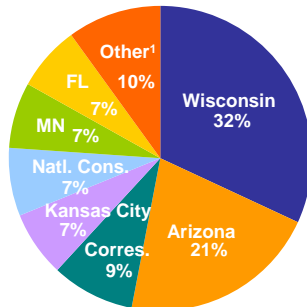


C&D loans by M&I business unit

March 31, 2009

Loans: \$8.3 billion
(Peak \$10.4 billion 1Q08)

Nonaccruals: \$1.1 billion or 13.0% loans



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

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

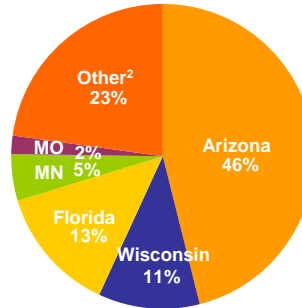
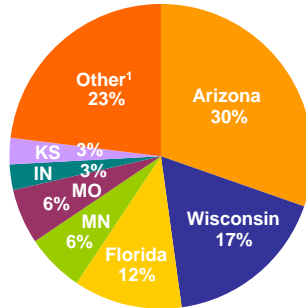


C&D loans by property zip code

March 31, 2009

Loans: \$8.3 billion
(Peak \$10.4 billion 1Q08)

Nonaccruals: \$1.1 billion or 13.0% loans



¹ Other category includes Illinois (6%), California (3%), Texas (2%), and states < 2% (12%).
² Other category includes Illinois (9%), and states < 2% (14%).



C&D loans – highlights

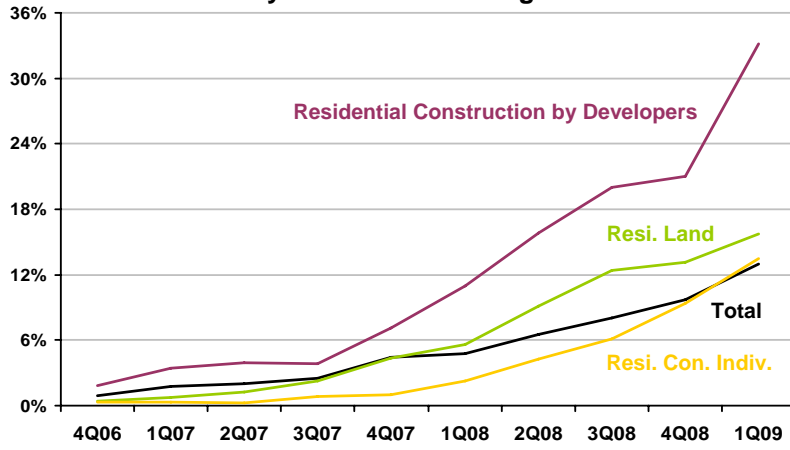
\$ Millions	Commercial		Residential		
	Construction	Land	Constr. By Individuals	Land	Constr. By Developers
Total loan portfolio size	\$3,791.3	\$852.0	\$751.6	\$2,044.0	\$812.4
Average loan size	3.9	0.9	0.5	0.2	0.8
Total nonaccrual loans	292.8	85.0	101.3	322.3	269.2
Largest nonaccrual loan	18.3	20.6	4.7	10.5	17.4
Average nonaccrual loan	2.3	1.4	0.6	0.3	0.8
# Nonaccruals > \$5 million by \$ range					
> \$10 million	8	2	0	2	3
\$5 - \$9.9 million	12	4	0	5	9
Total	20	6	0	7	12
# Nonaccruals > \$5 million by state ¹					
Arizona	3	1	0	3	2
Florida	5	1	0	1	2
Illinois	4	2	0	1	0
Missouri	1	1	0	0	0
Wisconsin	2	1	0	1	4
Other states	5	0	0	1	4
Total	20	6	0	7	12

Note: All figures as of March 31, 2009.
¹ Geography based on property zip code.



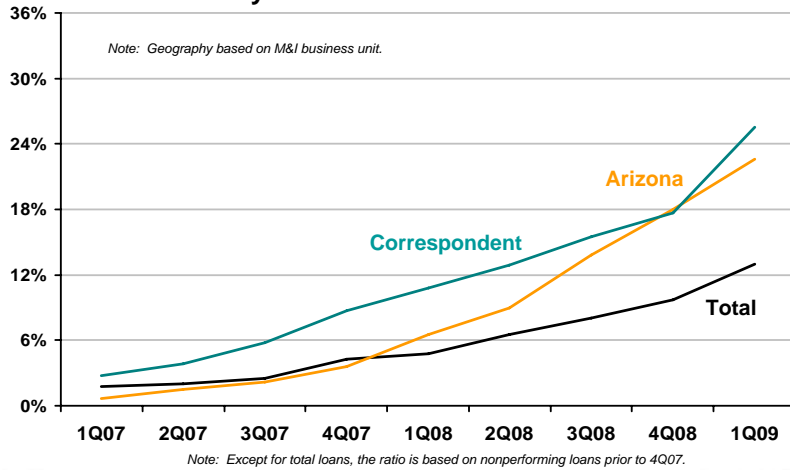
C&D nonaccrual loans

Nonaccrual loans / Period-end loans
by selected loan categories



C&D nonaccrual loans

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





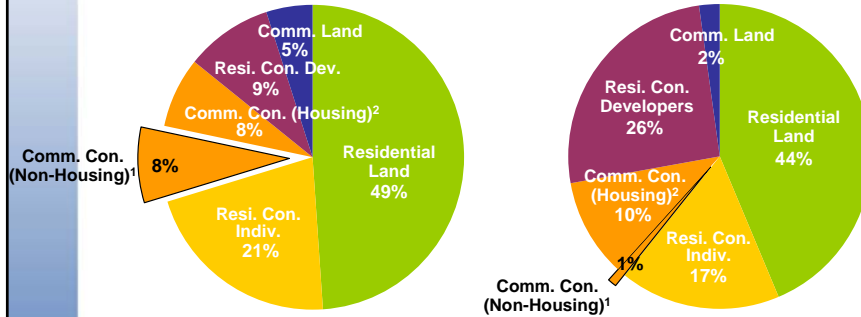
Arizona C&D loans

March 31, 2009

Note: Geography based on property zip code; numbers include correspondent banking loans.

Loans: \$2.5 billion

Nonaccruals: \$498 million or 20.0% loans

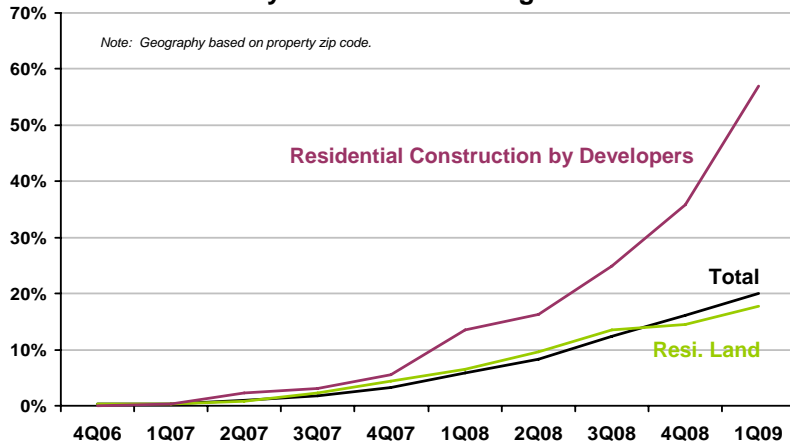


¹ Includes commercial & industrial and agricultural real estate loans.
² Includes land and residential property loans.



Arizona C&D nonaccrual loans

Nonaccrual loans / Period-end loans by selected loan categories



Note: Geography based on property zip code.

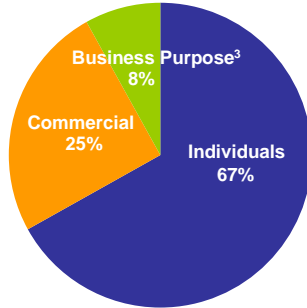
Note: Except for total loans, the ratio is based on nonperforming loans prior to 4Q07.



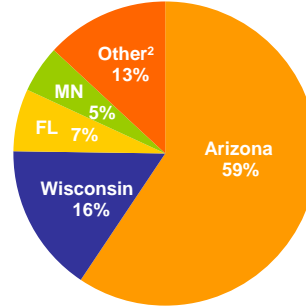
Total residential land loans

Loans outstanding at March 31, 2009: \$2.0 billion

By Customer Type



By State¹



¹ Geography based on property zip code.

² Other category includes Hawaii, (2%), Kansas (2%), Nevada (2%), and other states (7%).

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

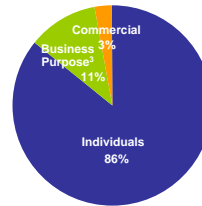


Arizona residential land loans

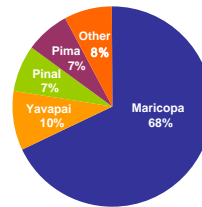
Key Statistics at March 31, 2009¹

- Total loans outstanding: \$1,219 million
- Total nonaccrual loans: \$217 million or 17.8%
- Loans to individuals
 - Loans outstanding: \$1,046 million
 - Average loan size: \$198,239
 - Nonaccrual loans: \$165 million or 15.8%
 - Original / updated FICO score: 733 / 696
 - Original / updated LTV¹: 75% / 162%
- Loans to individuals (Maricopa County)
 - Loans outstanding: \$703 million
 - Average loan size: \$246,799
 - Nonaccrual loans: \$120 million or 17.0%
 - Original / updated FICO score: 733 / 694
 - Original / updated LTV¹: 75% / 166%

By Customer Type



By County²



¹ Updated LTV based on market price trends.

² Geography based on property zip code.

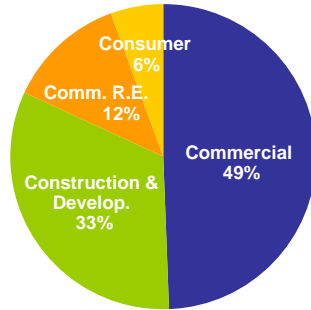
³ Loans to mid-sized local and regional builders to acquire and develop land for 1-4 family homes.



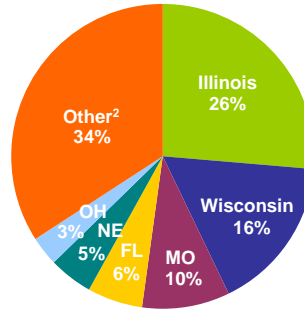
Correspondent banking loans

Loans outstanding at March 31, 2009: \$2.4 billion

By Loan Category



By State¹



¹ Geography based on property zip code.

² Other category includes California (4%), Texas (4%), Utah (4%), and states < 4% (22%).



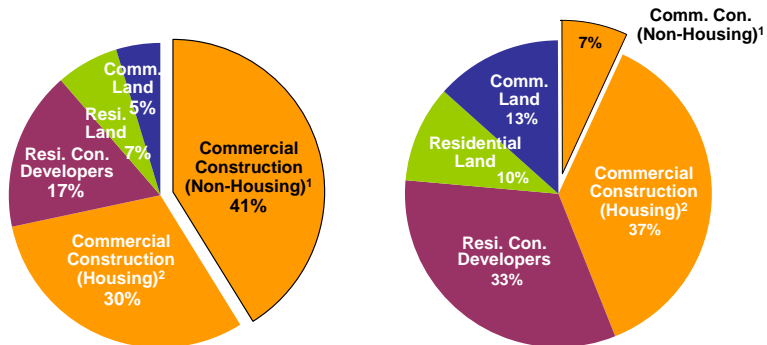
Correspondent banking C&D loans

March 31, 2009

Note: Geography based on M&I business unit.

Loans: \$773.8 million

Nonaccruals: \$197.6 million or 25.5% loans



¹ Includes commercial & industrial and agricultural real estate loans.

² Includes land and residential property loans.



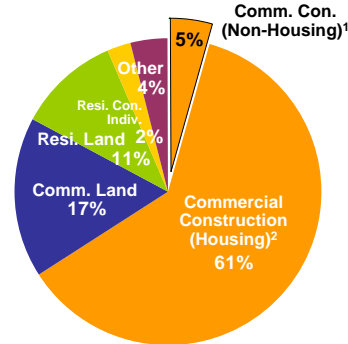
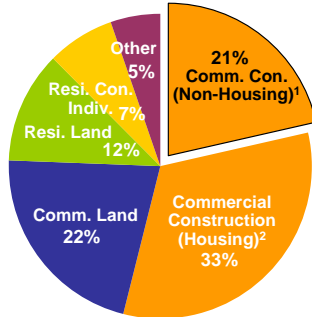
Florida C&D loans

March 31, 2009

Note: Geography based on M&I business unit.

Loans: \$600.1 million

Nonaccruals: \$80.2 million or 13.4% loans



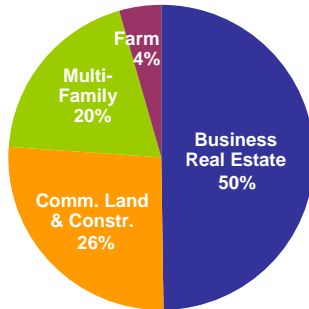
¹ Includes commercial & industrial and agricultural real estate loans.
² Includes land and residential property loans.



Total commercial real estate loans

Loans outstanding at March 31, 2009: \$17.6 billion

By Loan Category



Property Type	Total Commercial Real Estate Loans		
	\$ Millions	% Total	% Nonaccrual
Commercial & Industrial			
Industrial	\$2,465.0	14.0	0.7
Retail	2,460.4	13.9	2.1
Office	2,416.6	13.7	2.5
Other ¹	3,199.6	18.1	1.8
Total C&I²	\$10,541.6	59.8	1.8
Land	1,496.9	8.5	11.8
Residential Property	4,697.7	26.6	6.3
Agricultural Real Estate	891.9	5.1	0.6
Other	14.2	0.1	0.4
Total	\$17,642.3	100.0	3.8

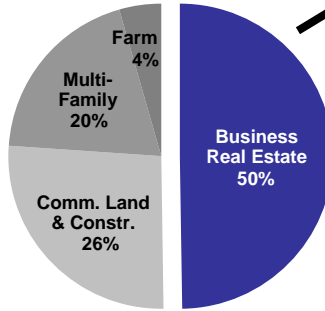
¹ Other category includes Lodging (6%), Medical (4%), Vehicle Dealership (2%), and other < 2% (6%).
² Geographic distribution is Wisconsin (34%), Minnesota (13%), Arizona (10%), Missouri (10%), Florida (9%), Illinois (5%), Kansas (3%), Indiana (3%), and other states <2% (13%).



Business real estate loans

Loans outstanding at March 31, 2009: **\$8.8 billion**

By Loan Category



Property Type	Business Real Estate Loans		
	\$ Millions	% Total	% Nonaccrual
Commercial & Industrial			
Industrial	\$2,220.3	25.3	0.7
Retail	1,731.1	19.7	2.2
Office	1,765.4	20.1	2.2
Other ¹	2,722.5	31.1	1.8
Total C&I²	\$8,439.3	96.3	1.7
Land	119.9	1.4	2.3
Residential Property	92.7	1.1	18.8
Agricultural Real Estate	114.1	1.3	0.6
Other	1.5	0.0	1.0
Total	\$8,767.4	100.0	1.8

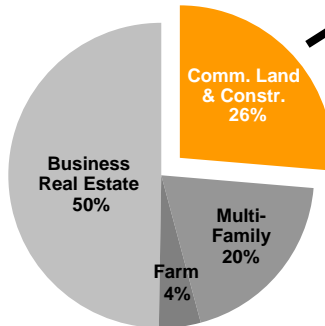
¹ Other category includes Lodging (9%), Medical (6%), Vehicle Dealership (4%), Gas Station (4%), Restaurant (3%), and other < 2% (5%).



Commercial land & construction loans

Loans outstanding at March 31, 2009: **\$4.6 billion**

By Loan Category



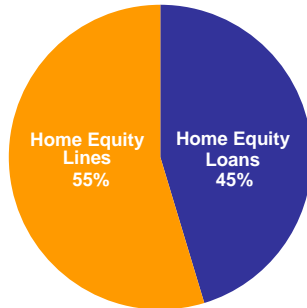
Property Type	Comm. Land & Construction Loans		
	\$ Millions	% Total	% Nonaccrual
Commercial & Industrial			
Industrial	\$237.4	5.1	0.4
Retail	720.5	15.5	2.0
Office	639.9	13.8	3.1
Other ¹	448.8	9.7	2.0
Total C&I²	\$2,046.6	44.1	2.2
Land	1,359.6	29.3	12.5
Residential Property	1,218.3	26.2	13.4
Agricultural Real Estate	7.8	0.2	1.9
Other	11.1	0.2	0.0
Total	\$4,643.3	100.0	8.1

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

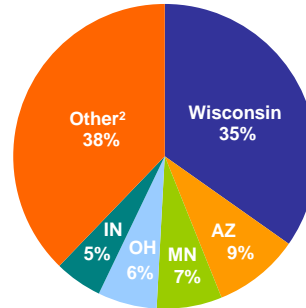
Home equity lines and loans

Loans outstanding at March 31, 2009: \$5.0 billion

By Loan Category



By State¹

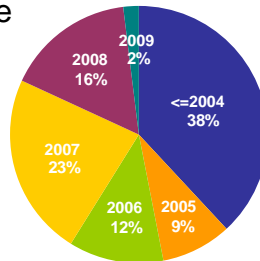


¹ Geography based on property zip code.

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

Home equity – highlights

- Original / updated FICO score (732 / 711)
- Original / updated LTV¹ (81% / 97%)
- % secured by first mortgage (46%)
- % HELOC drawn (58%)
- Vintage profile

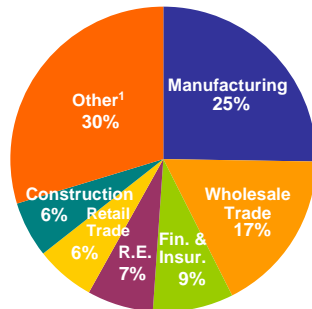


Note: All figures as of March 31, 2009.
¹ Updated LTV based on market price trends.

C&I loans by industry type

Loans outstanding at March 31, 2009: \$15.1 billion

By Industry Type



Industry Type	Total Commerical Loans & Leases		
	\$ Millions	% Total	% Nonaccrual
Manufacturing	3,836.6	25.4	1.5
Wholesale Trade	2,616.5	17.3	1.2
Finance & Insurance	1,332.2	8.8	7.7
Real Estate	1,078.3	7.1	0.8
Retail Trade	931.1	6.2	6.0
Construction	885.4	5.9	1.8
Other ¹	4,427.8	29.5	1.5
Total²	\$15,107.8	100.0	2.2

¹ Other category includes Management Companies (4%), Professional (4%), Health Care (4%), Ag. Forestry Fishing Hunting (3%), Transportation & Warehousing (3%), and other < 3% (12%).

² Geographic distribution is Wisconsin (42%), Minnesota (14%), Missouri (10%), Illinois (6%), Arizona (5%), Florida (3%), Indiana (3%), and other states <3% (17%).

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 A

Supplemental Financial Information

Marshall & Ilsley Corporation

Reconciliation of Adjusted Pre-Tax Pre-Provision Income from Continuing Operations to Pre-Tax Income (Loss) from Continuing Operations

Reconciliation - Millions \$	3 Months Ended 03/31/09	2008	2007	Full Year		
		2006	2005	2004		
Adjusted Pre-Tax Pre-Provision Income from Continuing Operations	\$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	(477.9)	(2,037.7)	(319.8)	(50.6)	(44.8)	(38.0)
Total Adjustments	(477.9)	(3,572.8)	(319.8)	(50.6)	(44.8)	(38.0)
Pre-Tax Income (Loss) From Continuing Operations	(245.0)	(2,503.0)	\$710.6	\$955.1	\$864.8	\$786.0

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 \$	1st Quarter 2009	% Total	4th Quarter 2008	% Total
<u>Coverage Ratio Components</u>				
Reserve for Loans & Lease Losses	\$1,352.1	100%	\$1,202.2	100%
Less Reserve for FAS114 Analyzed Nonperforming Loans ⁽¹⁾	222.0	16%	99.6	8%
Adjusted Reserve for Loans & Lease Losses	\$1,130.1	84%	\$1,102.6	92%
 Total Nonperforming Loans & Leases	 \$2,536.7	 100%	 \$1,811.8	 100%
Less FAS114 Analyzed Nonperforming Loans & Available for Sale Loans	1,650.4	65%	993.6	55%
Adjusted Total Nonperforming Loans & Leases	\$886.3	35%	\$818.2	45%
 <u>Coverage Ratio</u>				
Reserve for Loans & Lease Losses / Total Nonperforming Loans & Leases		53%		66%
Adjusted Reserve for Loans & Lease Losses / Adjusted Total Nonperforming Loans & Leases		128%		135%

(1) In addition, partial charge-offs have been taken against the FAS114 analyzed loans.