



## Marshall & Ilsley Corporation Credit Quality Third 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

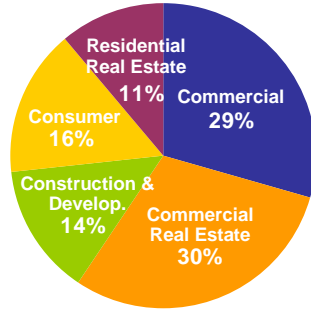
This presentation contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include, without limitation, statements regarding expected financial and operating activities and results that 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, directly or indirectly through M&I's loans to other bank holding companies, 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.



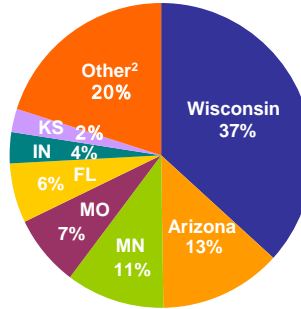
# Diversified loan portfolio

Total loans at September 30, 2009: \$46 billion

Loans by asset class



Loans by geography<sup>1</sup>



<sup>1</sup> Geography based on property zip code.

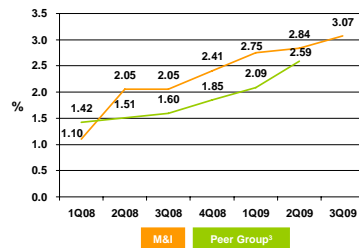
<sup>2</sup> Other geography includes Illinois (5%) and states < 2% (15%).



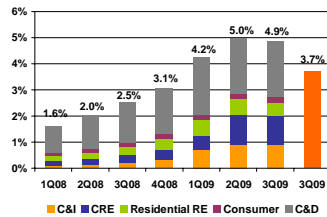
# Proactive approach to credit

- Challenges well understood and manageable
- Proactively addressing credit
  - Identifying and writing down troubled assets
  - Selling problem loans (\$1.7 billion since 1Q08)
  - Reducing exposure to C&D loans (down to 13.7% of total loans)
  - Building loan loss reserves (LLR up 185% since 1Q08)
- Encouraging early signs that credit quality is improving

Reserves / Period-end loans vs. Peers



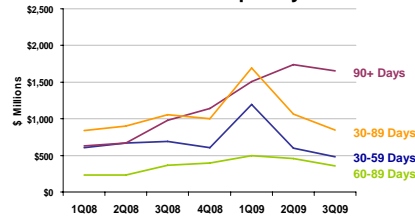
NPLs<sup>1</sup> / Period-end loans



<sup>1</sup> NPLs exclude renegotiated loans.

<sup>2</sup> Excludes NPLs < 90 days past due.

Total loans delinquency trend



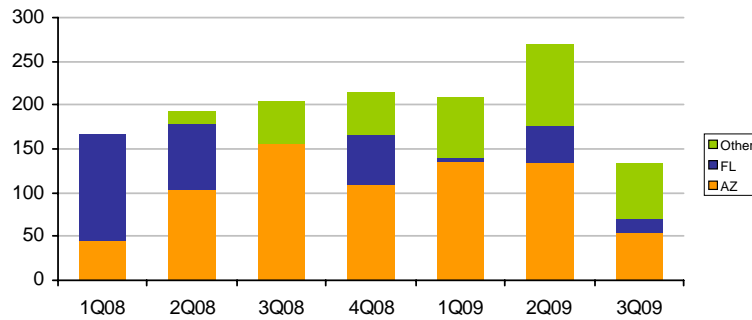
<sup>3</sup> Peer group consists of 13 U.S. banking companies with assets from \$24 - \$177 billion.



## Aggressively selling problem assets

- Disposition strategy initially focused on Florida and then Arizona
  - Limited inventory remains for additional large loan sales in those geographies
- In addition, sold \$297 million in mainly nonperforming residential mortgage loans (2/3rds AZ) in July

Commercial Loan Sale History by Quarter (\$ millions)<sup>1</sup>



<sup>1</sup> Based on unpaid principal balance.



## Strong reserve coverage

As of September 30, 2009  
(\$ millions)

• Total nonperforming loans <sup>1</sup>	
– Unpaid principal balance	\$3,010
– Lifetime charge-offs	<u>760</u>
– Ledger balance	\$2,250
• Total reserve for loan & lease losses	\$1,414
• Loan loss reserve coverage ratio	67% <sup>2</sup>

### Nonperforming loans subject to specific impairment analysis (FAS 114)

• Total nonperforming loans	
– Unpaid principal balance	\$2,100
– Lifetime charge-offs	<u>550</u>
– Ledger balance	\$1,550
• Reserves based on specific impairment analysis	\$245
• Lifetime charge-offs result in 26% haircut	

Note: Nonperforming loans > \$1 million are analyzed for impairment on a quarterly basis and written down to net realizable value.

### Nonperforming loans NOT subject to specific impairment analysis

• Total nonperforming loans	
– Unpaid principal balance	\$910
– Lifetime charge-offs	<u>210</u>
– Ledger balance	\$700
• Reserves net of specific allocation	\$1,169
• Loan loss reserve coverage ratio of loans not subject to specific impairment analysis	167%

<sup>1</sup> Includes \$128 million of nonperforming loans held for sale.

<sup>2</sup> Loan loss coverage ratio excludes nonperforming loans held for sale.



## Stabilizing inflows of nonperforming loans

(\$mil)	2008				2009		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Beginning	\$687	\$774	\$1,007	\$1,260	\$1,527	\$2,075	\$2,416
Increases	455	749	636	1,101	1,120	1,306	843
Decreases:							
Charge-offs	110	229	110	431	197	473	383
ORE / Sold	158	132	168	181	193	210	323
Other <sup>1</sup>	100	155	105	222	182	282	303
Total	368	516	383	834	572	965	1,009
Ending	\$774	\$1,007	\$1,260	\$1,527	\$2,075	\$2,416	\$2,250

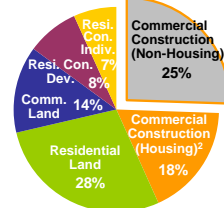
<sup>1</sup> Other includes accruing loans, renegotiated loans, loan paydowns & other items.



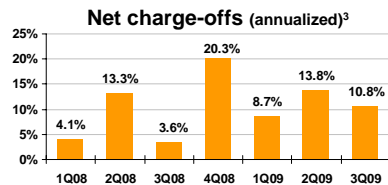
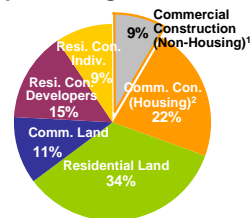
## Shrinking stressed C&D portfolio

- C&D loans of \$6 billion (13.7% of total loans)
- C&D nonperforming loans of \$985 million (44% of total NPLs)
  - Non-housing commercial construction portfolio performing well
- Aggressively shrinking C&D portfolio
  - Proactively restructuring, charging off, and selling loans
  - Currently 13.7% of total loans vs. 23% in 3Q07
  - C&D loans have decreased \$3.8 billion or 38% vs. 3Q07
  - Targeting no more than 10% of total loans

### Loans: \$6 billion



### Nonperforming: \$985 million



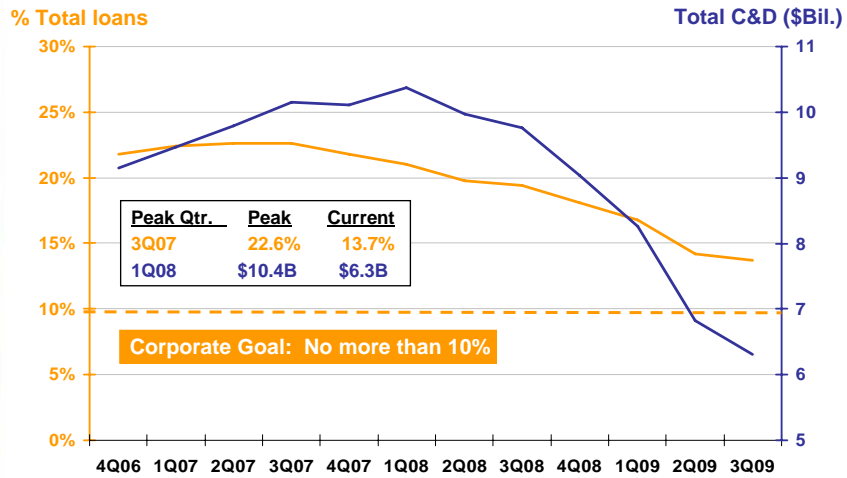
<sup>1</sup> Includes commercial & industrial and agricultural real estate C&D loans.

<sup>2</sup> Includes land and residential property loans.

<sup>3</sup> Based on end of period loan balance.



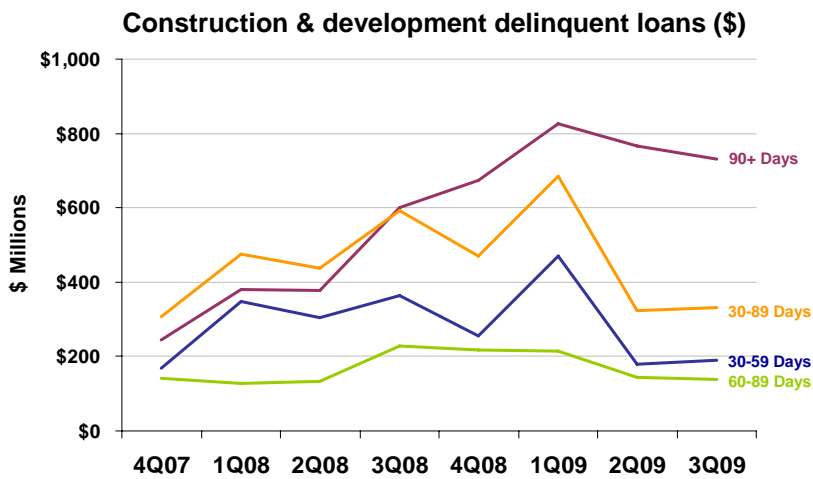
## Reducing exposure to C&D loans



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



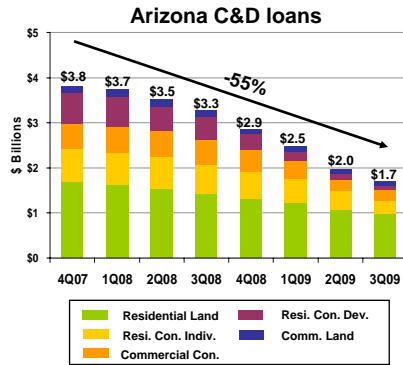
## C&D delinquency trends





## Arizona total C&D loans down 55%

- Aggressively shrinking Arizona portfolio
  - Total C&D loans have decreased by \$2.1 billion or 55% since 4Q07

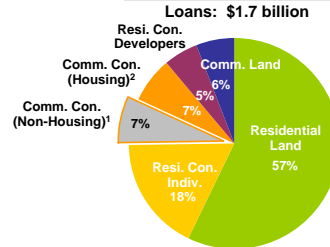


Note: Geography based on property zip code.

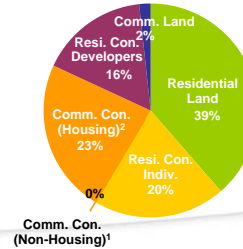
<sup>1</sup> Includes commercial & industrial and agricultural real estate C&D loans.

<sup>2</sup> Includes land and residential property loans.

September 30, 2009

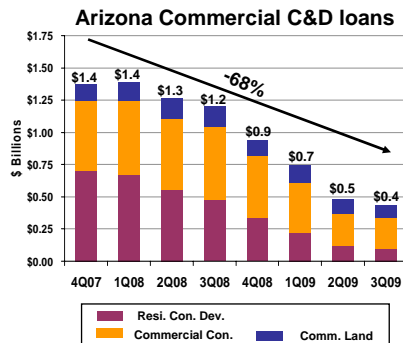


Nonperforming: \$395 million or 23.1% loans



## Arizona commercial C&D loans down 68%

- Aggressively shrinking Arizona portfolio
  - Commercial C&D loans have decreased by \$0.9 billion or 68% since 4Q07



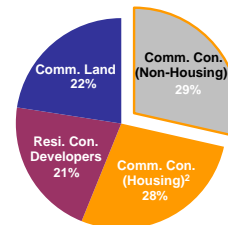
Note: Geography based on property zip code.

<sup>1</sup> Includes commercial & industrial and agricultural real estate C&D loans.

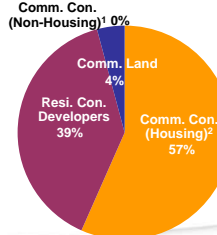
<sup>2</sup> Includes land and residential property loans.

September 30, 2009

Loans: \$432 million



Nonperforming: \$164 million or 37.9% loans



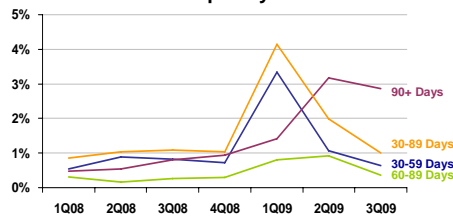
## Arizona residential land – individuals

- Loans outstanding : \$821 million
  - Concentrated in Northeast and North portion of Maricopa County
    - Strongest part of market
  - Typical structure (3 year balloon or 3/1 ARM)
  - Underwriting standards tightened Q2 2005; no originations after Q1 2008
- Probability of default
  - 59% of portfolio has refreshed FICO score of 675+ and has never been late after paying for an average of 41 months
- Loss given default
  - Original market value of land @ 74.6% LTV (\$1,101 million)
  - Current market value of land @ 192.5% LTV (\$426 million)
  - Implied drop in land value (61%)

## CRE<sup>1</sup> portfolio performing well

- CRE loans of \$14 billion (30% of total loans)
- 38% owner-occupied on business real estate loans**
- CRE nonperforming loans of \$510 million (23% of total NPLs)
  - Approximately 3.7% of total CRE loans vs. 4% in 2Q09
- NCOs have been relatively stable at 2% of loans

**CRE delinquency trends**



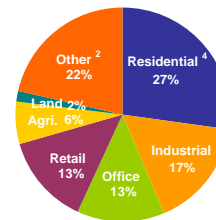
<sup>1</sup> CRE does not include commercial land & construction loans.

<sup>2</sup> Other category includes Lodging (7%), Medical Facilities (4%), & other < 3% (11%).

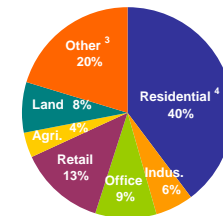
<sup>3</sup> Other category includes Lodging (13%) & other < 2% (7%).

<sup>4</sup> Over 90% are multi-family loans and business purpose loans backed by a 1-4 family residence.

**Loans: \$14 billion**



**Nonperforming: \$510 million**

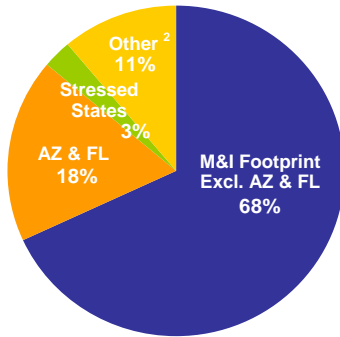




## Business real estate loans

Loans outstanding at September 30, 2009: \$9 billion

By state<sup>1</sup>



	\$ Millions		
	Total Loans	NPL's	NPL %
Wisconsin	\$3,468	\$82	2.4
Minnesota	1,228	13	1.1
Missouri	932	19	2.0
Kansas	339	12	3.4
Indiana	340	14	4.1
<b>Total M&amp;I Footprint States Excl. AZ &amp; FL</b>	<b>6,307</b>	<b>140</b>	<b>2.2</b>
Arizona	910	26	2.8
Florida	767	39	5.1
<b>Total AZ &amp; FL</b>	<b>1,677</b>	<b>64</b>	<b>3.8</b>
<b>Economically Stressed States<sup>3</sup></b>	<b>276</b>	<b>18</b>	<b>6.6</b>
<b>Remaining States</b>	<b>1,066</b>	<b>60</b>	<b>5.6</b>
<b>Total Business Real Estate</b>	<b>\$9,326</b>	<b>\$282</b>	<b>3.0</b>

<sup>1</sup> Geography based on property zip code.

<sup>2</sup> Other includes IL (4%) and other states <2% (7%).

<sup>3</sup> Includes OH, MI, CA, GA, NV & NY

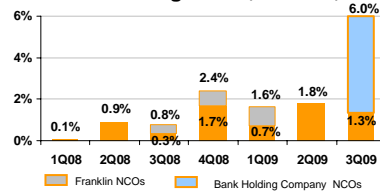
Totals may not foot due to rounding.



## Commercial & industrial loans

- C&I loans of \$14 billion (29% of total loans)
- C&I nonperforming loans of \$411 million (18% of total NPLs)
- Increase in NCOs due to \$160 million write-down of certain loans to bank holding companies

Net charge-offs (annualized)<sup>3</sup>

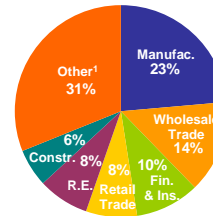


<sup>1</sup> Other category includes Professional (5%), Management Companies (4%), Health Care (4%), Ag. Forestry Fishing Hunting (4%), Transportation & Warehousing (4%), and other < 3% (10%).

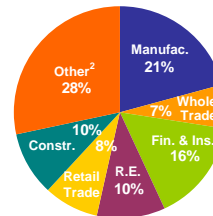
<sup>2</sup> Other category includes Management Companies (13%), Ag. Forestry Fishing Hunting (4%), Professional (4%) and other <3% (7%).

<sup>3</sup> Based on end of period loan balance.

Loans: \$14 billion



Nonperforming: \$411 million



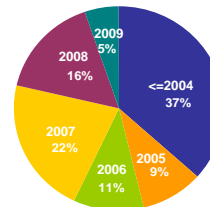




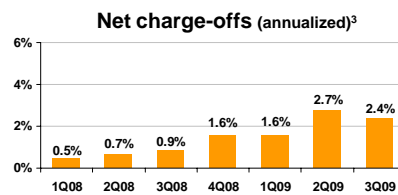
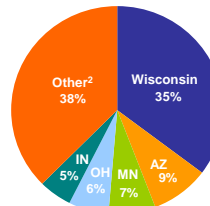
## Home equity in-line with expectations

- Home equity lines/loans of \$4.8 billion (10% of total loans)
  - 57% lines and 43% loans
  - 45% secured by first mortgage
  - 59% HELOC drawn
- Home equity nonperforming lines/loans of \$94 million (4% of total NPLs)

**By vintage**  
(Sold majority of 2005 & 2006 originations)



**By geography**<sup>1</sup>  
(Low Arizona exposure)



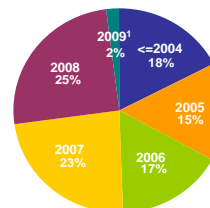
<sup>1</sup> Geography based on property zip code.  
<sup>2</sup> Other geography includes Missouri (5%), Florida (4%), Illinois (3%), and states < 3% (26%).  
<sup>3</sup> Based on end of period loan balance.



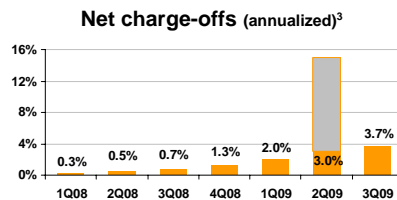
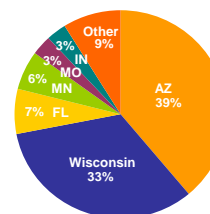
## Modest residential real estate exposure

- RRE loans of \$5 billion (11% of total loans)
  - Predominantly prime with no option ARMS or subprime
- RRE nonperforming loans of \$237 million (11% of total NPLs)
- Arizona has realized the most deterioration
  - 7.3% in nonperforming status
- Sold \$297 million of mostly nonperforming residential real estate loans on 7/31/09, approximately two-thirds in Arizona

**By vintage**



**By geography**<sup>2</sup>

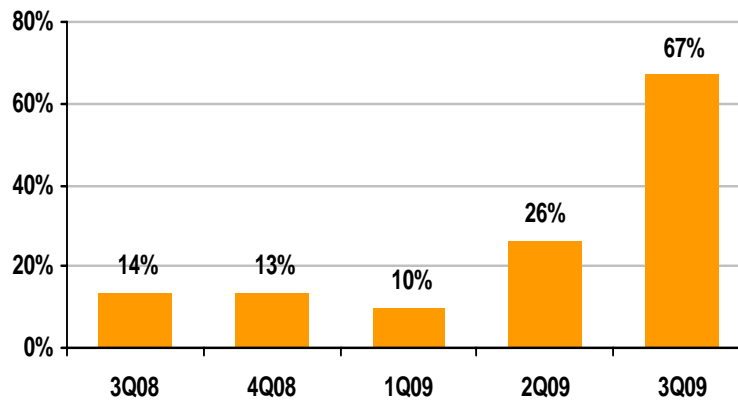


<sup>1</sup> Over 90% of 2009 RRE loan originations have been sold.  
<sup>2</sup> Geography based on property zip code.  
<sup>3</sup> Based on end of period loan balance.



## NOW & savings deposit growth

Growth versus prior year



Growth based on quarter to date averages.  
Excludes brokered deposits.



## Appendix A

*Loan portfolio summary*

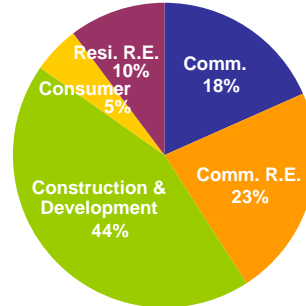
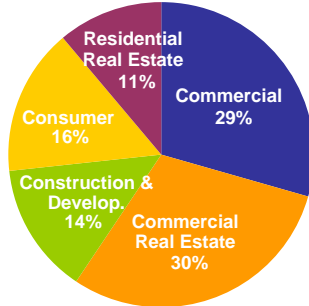


## Total loans by asset class

September 30, 2009

Loans: \$46 billion

Nonperforming: \$2.3 billion or 4.9% loans

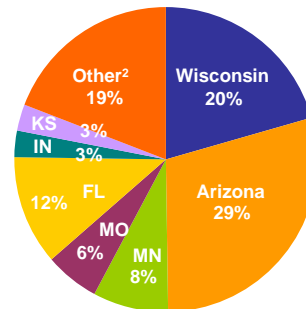
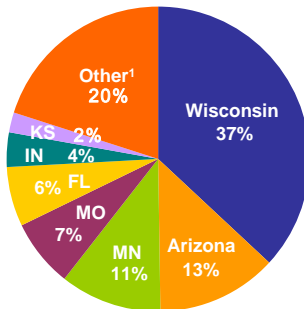


## Total loans by property zip code

September 30, 2009

Loans: \$46 billion

Nonperforming: \$2.3 billion or 4.9% loans



<sup>1</sup> Other category includes Illinois (5%) and states < 2% (15%).

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

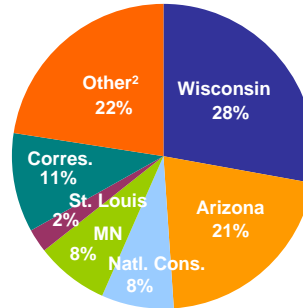
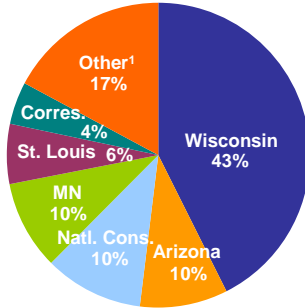


# Total loans by M&I business unit

September 30, 2009

Loans: \$46 billion

Nonperforming: \$2.3 billion or 4.9% loans



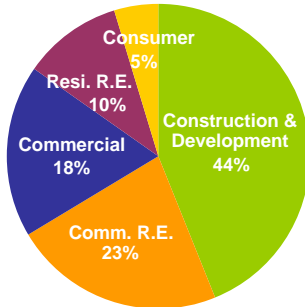
<sup>1</sup> Other category includes Kansas City (5%), Florida (4%), Indiana (4%), Private Banking (3%), and Other (1%).  
<sup>2</sup> Other category includes Florida (8%), Kansas City (8%), Indiana (3%), and Private Banking (3%).



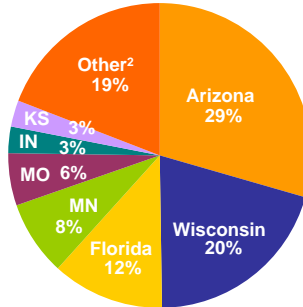
# Total nonperforming loans

Nonperforming loans at September 30, 2009: \$2.3 billion

By loan category



By state<sup>1</sup>



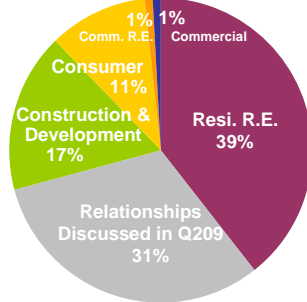
<sup>1</sup> Geography based on property zip code.  
<sup>2</sup> Other category includes Illinois (5%) and states < 3% (14%).



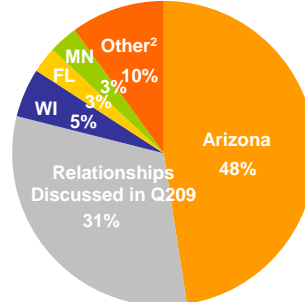
## Total renegotiated loans

Renegotiated loans at September 30, 2009: \$935 million

By loan category



By state<sup>1</sup>



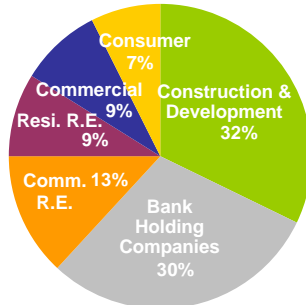
<sup>1</sup> Geography based on property zip code.  
<sup>2</sup> Other category includes states < 2% (10%).



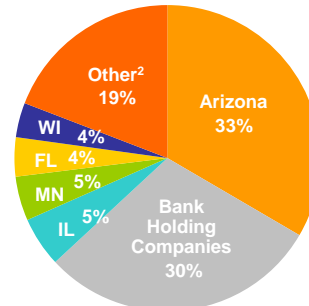
## Total net charge-offs

Net charge-offs for 2009 third quarter: \$533 million

By loan category



By state<sup>1</sup>



<sup>1</sup> Geography based on property zip code.  
<sup>2</sup> Other category includes Utah (5%) and states < 3% (14%).



## Appendix B

*Construction & development loans (C&D)*

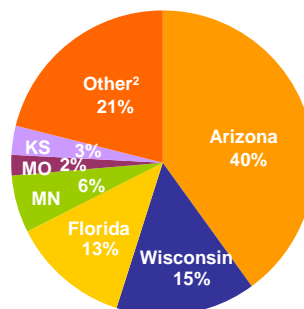
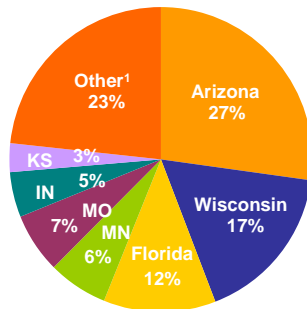


## C&D loans by property zip code

September 30, 2009

Loans: \$6 billion  
(peak \$10 billion 1Q08)

Nonperforming: \$985 million or 15.6% loans



<sup>1</sup> Other category includes Illinois (7%) and states < 3% (16%).

<sup>2</sup> Other category includes Illinois (6%), Arkansas (5%), and states < 3% (10%).

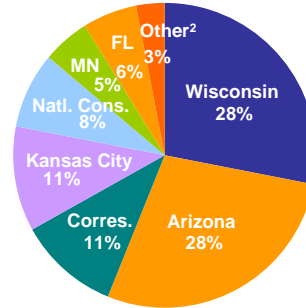
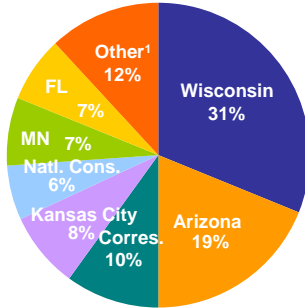


## C&D loans by M&I business unit

September 30, 2009

Loans: \$6 billion  
(peak \$10 billion 1Q08)

Nonperforming: \$985 million or 15.6% loans



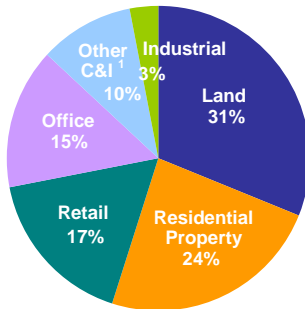
<sup>1</sup> Other category includes Indiana (6%), St. Louis (5%) and Private Banking (1%).  
<sup>2</sup> Other category includes Indiana (2%) and St. Louis (1%).



## Commercial land & construction loans

Loans outstanding at September 30, 2009: \$3.6 billion

By loan property type



Property Type	Comm. Land & Construction Loans		
	\$ Millions	% Total	NPL %
Commercial & Industrial			
Industrial	\$127	3	0.6
Retail	596	17	9.4
Office	558	15	5.0
Other <sup>1</sup>	355	10	0.7
<b>Total C&amp;I</b>	<b>\$1,635</b>	<b>45</b>	<b>5.3</b>
Land	1,100	31	14.2
Residential Property	866	24	19.0
Agricultural Real Estate	3	0	4.9
Other	0	0	0.0
<b>Total</b>	<b>\$3,604</b>	<b>100</b>	<b>11.3</b>

<sup>1</sup> Other category includes Lodging (4%), Medical (2%), and other < 2% (4%).  
Totals may not foot due to rounding.



## C&D loans – highlights

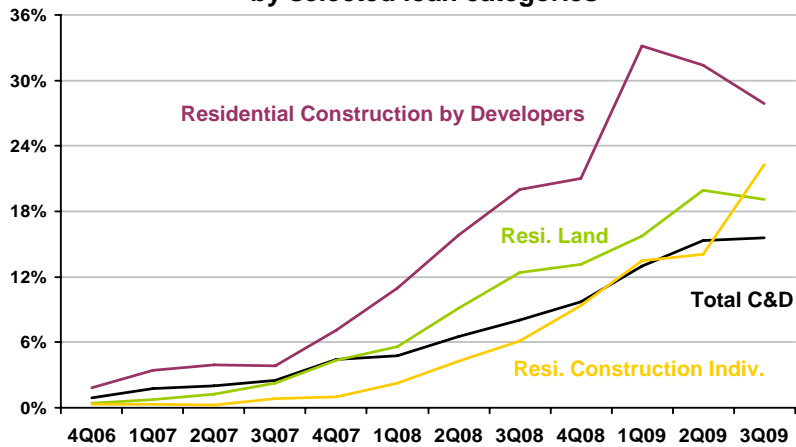
\$ Millions	Commercial		Residential		
	Construction	Land	Constr. By Individuals	Land	Constr. By Developers
Total loan portfolio size	\$2,737	\$867	\$418	\$1,767	\$525
Average loan size	4.9	0.9	0.5	0.2	0.9
Total non-performing loans	300	108	93	337	146
Largest non-performing loan	49	11	4	16	8
Average non-performing loan	4.6	1.2	0.6	0.3	0.7
# NPLs > \$5 million by \$ range					
> \$10 million	10	2	0	4	0
\$5 - \$9.9 million	5	5	0	5	8
<b>Total</b>	<b>15</b>	<b>7</b>	<b>0</b>	<b>9</b>	<b>8</b>
# NPLs > \$5 million by state <sup>1</sup>					
Arizona	4	1	0	0	2
Florida	1	3	0	2	3
Illinois	2	1	0	0	1
Missouri	0	1	0	1	0
Wisconsin	1	1	0	4	1
Other states	7	0	0	2	1
<b>Total</b>	<b>15</b>	<b>7</b>	<b>0</b>	<b>9</b>	<b>8</b>

Note: All figures as of September 30, 2009.  
<sup>1</sup> Geography based on property zip code.



## C&D nonperforming loans

Nonperforming loans / Period-end loans  
by selected loan categories



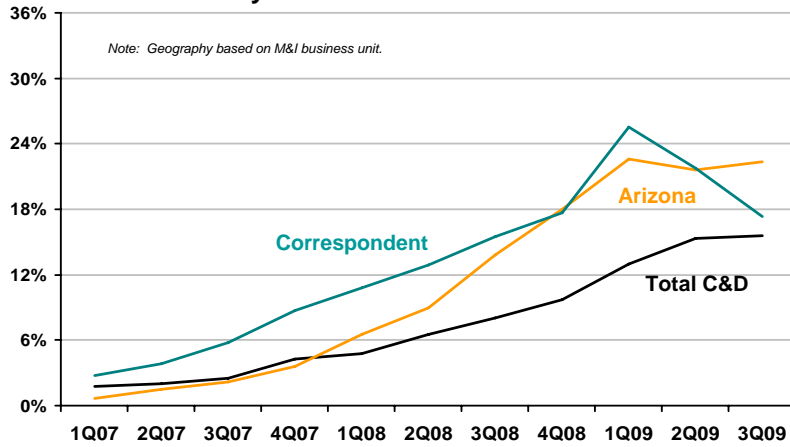
Note: Except for total loans, the ratio is based on previous nonperforming loans definition prior to 4Q07.





## C&D nonperforming loans

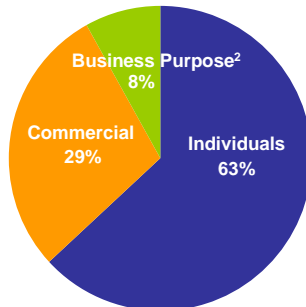
Nonperforming loans / Period-end loans  
by selected M&I business unit



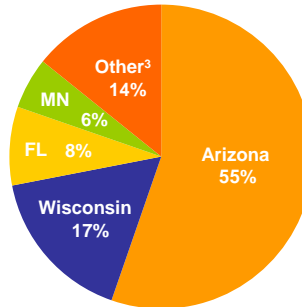
## Total residential land loans

Loans outstanding at September 30, 2009: \$1.8 billion

By customer type



By state<sup>1</sup>



<sup>1</sup> Geography based on property zip code.

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

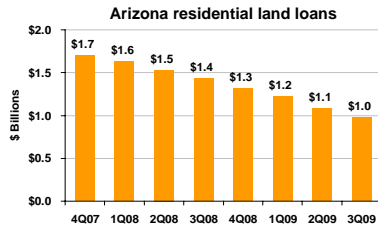
<sup>3</sup> Other category includes Kansas (3%), Nevada (2%), Hawaii (2%), Missouri (2%) and other states (5%).



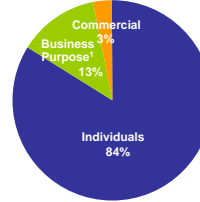
# Arizona residential land loans

## Key Statistics at September 30, 2009

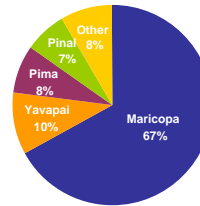
- Total loans outstanding: \$977 million
- Total nonperforming loans: \$153 million or 15.6%
- Loans to individuals
  - Loans outstanding: \$821 million
  - Updated FICO on performing loans: 714
  - Average loan size: \$183,208
  - Nonperforming loans: \$120 million or 14.6%
- Loans to individuals (Maricopa County)
  - Loans outstanding: \$542 million
  - Average loan size: \$229,113
  - Nonperforming loans: \$85 million or 15.7%



## By customer type



## By county<sup>2</sup>



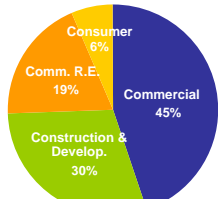
<sup>1</sup> Loans to mid-sized local and regional builders to acquire and develop land for 1-4 family homes.  
<sup>2</sup> Geography based on property zip code.



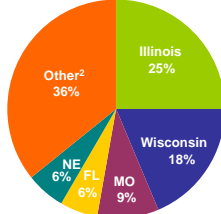
# Correspondent banking loans

Total loans: \$2.1 billion

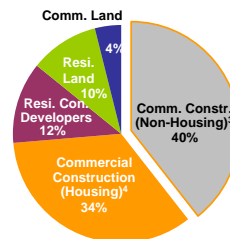
## By loan category



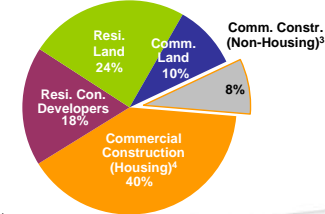
## By state<sup>1</sup>



C&D loans: \$613 million



C&D nonperforming: \$106 million or 17.3% loans



<sup>1</sup> Geography based on property zip code.  
<sup>2</sup> Other category includes Utah (4%), Texas (4%) and states < 3% (28%).  
<sup>3</sup> Includes commercial & industrial and agricultural real estate C&D loans.  
<sup>4</sup> Includes land and residential property loans.



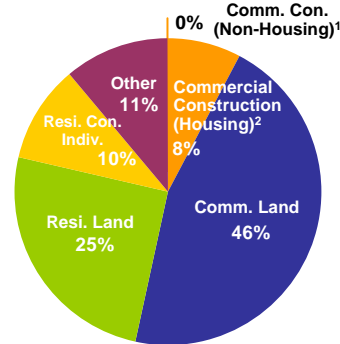
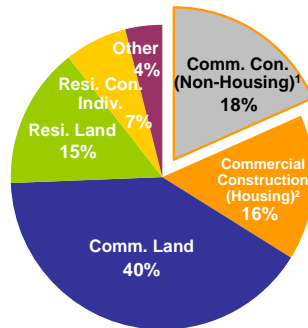
## Florida C&D loans

September 30, 2009

Note: Geography based on M&I business unit.

Loans: \$451 million

Nonperforming: \$60 million or 13.3% loans



<sup>1</sup> Includes commercial & industrial and agricultural real estate C&D loans.

<sup>2</sup> 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

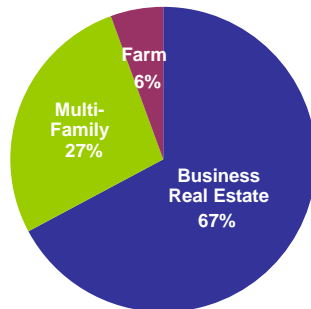
### Commercial real estate loans (CRE)



## Total commercial real estate loans

Loans outstanding at September 30, 2009: \$13.9 billion

### By loan category



Property Type	Total Commercial Real Estate Loans		
	\$ Millions	% Total	NPL %
<b>Commercial &amp; Industrial</b>			
Industrial	\$2,295	17	1.3
Retail	1,861	13	3.6
Office	1,863	13	2.6
Other <sup>1</sup>	2,930	21	3.4
<b>Total C&amp;I<sup>2</sup></b>	<b>\$8,949</b>	<b>64</b>	<b>2.8</b>
Land	235	2	16.7
Residential Property	3,772	27	5.4
Agricultural Real Estate	887	6	2.2
Other	41	0	N/A
<b>Total</b>	<b>\$13,884</b>	<b>100</b>	<b>3.7</b>

<sup>1</sup> Other category includes Lodging (7%), Medical (4%), and other < 3% (10%).

<sup>2</sup> Geographic distribution is Wisconsin (38%), Minnesota (13%), Arizona (10%), Missouri (10%), Florida (8%), Illinois (4%), Indiana (4%), Kansas (3%), and other states <2% (10%).

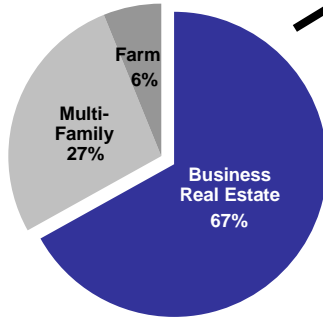
Totals may not foot due to rounding.



## Business real estate loans

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

### By loan category



Property Type	Business Real Estate Loans		
	\$ Millions	% Total	NPL %
<b>Commercial &amp; Industrial</b>			
Industrial	\$2,291	25	1.3
Retail	1,860	20	3.6
Office	1,849	20	2.6
Other <sup>1</sup>	2,904	31	3.5
<b>Total C&amp;I</b>	<b>\$8,903</b>	<b>95</b>	<b>2.8</b>
Land	198	2	10.6
Residential Property	82	1	18.0
Agricultural Real Estate	119	1	0.6
Other	25	0	0.9
<b>Total</b>	<b>\$9,326</b>	<b>100</b>	<b>3.0</b>

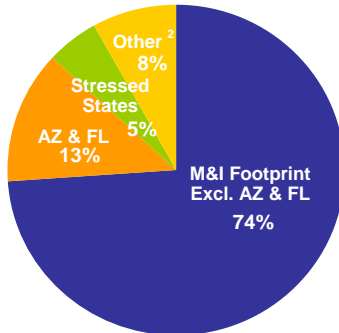
<sup>1</sup> Other category includes Lodging (10%), Medical (6%), Vehicle Dealership (4%), Gas Station (4%), Restaurant (3%), and other < 2% (4%). Totals may not foot due to rounding.



## Multifamily loans

Loans outstanding at September 30, 2009: \$4 billion

### By state<sup>1</sup>



	\$ Millions		
	Total Loans	NPL's	NPL %
Wisconsin	\$2,128	\$52	2.5
Minnesota	327	6	1.8
Missouri	227	19	8.5
Kansas	71	7	10.1
Indiana	54	1	2.6
<b>Total M&amp;I Footprint States Excl. AZ &amp; FL</b>	<b>2,808</b>	<b>86</b>	<b>3.1</b>
Arizona	204	26	12.9
Florida	304	57	18.7
<b>Total AZ &amp; FL</b>	<b>508</b>	<b>83</b>	<b>16.4</b>
<b>Economically Stressed States<sup>3</sup></b>	<b>174</b>	<b>10</b>	<b>5.8</b>
<b>Remaining States</b>	<b>291</b>	<b>28</b>	<b>9.7</b>
<b>Total Business Real Estate</b>	<b>\$3,781</b>	<b>\$208</b>	<b>5.5</b>

<sup>1</sup> Geography based on property zip code.  
<sup>2</sup> Other includes IL (4%) and other states <3% (4%).  
<sup>3</sup> Includes OH, MI, CA, GA, NV & NY  
 Totals may not foot due to rounding.



## Appendix D

### Supplemental financial information



## Loan portfolio analysis

<b>Total Loans</b>	<b>1Q08</b>	<b>2Q08</b>	<b>3Q08</b>	<b>4Q08</b>	<b>1Q09</b>	<b>2Q09</b>	<b>3Q09</b>
Period-end loans (\$ millions)	49,300.4	50,232.5	50,417.2	49,984.5	49,244.7	48,183.1	46,106.3
% Total loans	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
30-89 day delinquency (\$ millions)	837.5	901.5	1,058.0	999.6	1,695.8	1,060.5	842.9
30-89 day delinquency %	1.70%	1.79%	2.10%	2.00%	3.44%	2.20%	1.83%
Nonaccrual loans (\$ millions)	774.1	1,006.8	1,260.6	1,527.0	2,074.6	2,416.1	2,250.1
Nonaccrual loans %	1.57%	2.00%	2.50%	3.05%	4.21%	5.01%	4.88%
Net charge-offs (\$ millions)	131.1	400.7	152.3	679.8	328.0	603.3	532.7
Net charge-offs % (quarter annualized)	1.08%	3.23%	1.21%	5.38%	2.67%	4.95%	4.48%
Cumulative net charge-offs (\$ millions)	131.1	531.8	684.1	1,363.9	1,691.9	2,295.2	2,827.9
<b>Total Commercial Real Estate Loans<sup>1</sup></b>	<b>1Q08</b>	<b>2Q08</b>	<b>3Q08</b>	<b>4Q08</b>	<b>1Q09</b>	<b>2Q09</b>	<b>3Q09</b>
Period-end loans (\$ millions)	11,573.3	11,891.1	12,114.1	12,541.5	12,998.9	13,938.3	13,884.3
% Total loans	23.5%	23.7%	24.0%	25.1%	26.4%	28.9%	30.1%
30-89 day delinquency (\$ millions)	99.9	123.7	131.1	129.7	537.9	277.1	138.9
30-89 day delinquency %	0.86%	1.04%	1.08%	1.03%	4.14%	1.99%	1.00%
Nonaccrual loans (\$ millions)	94.5	109.1	144.9	178.3	286.6	559.2	509.6
Nonaccrual loans %	0.82%	0.92%	1.20%	1.42%	2.20%	4.01%	3.67%
Net charge-offs (\$ millions)	7.7	13.1	7.1	72.1	34.0	55.3	69.6
Net charge-offs % (quarter annualized) <sup>3</sup>	0.27%	0.44%	0.23%	2.29%	1.06%	1.59%	1.99%
Cumulative net charge-offs (\$ millions)	7.7	20.8	27.9	100.0	134.0	189.3	258.9
<b>Total Construction &amp; Development Loans<sup>2</sup></b>	<b>1Q08</b>	<b>2Q08</b>	<b>3Q08</b>	<b>4Q08</b>	<b>1Q09</b>	<b>2Q09</b>	<b>3Q09</b>
Period-end loans (\$ millions)	10,367.5	9,968.9	9,759.7	9,043.3	8,251.4	6,829.3	6,314.2
% Total loans	21.0%	19.8%	19.4%	18.1%	16.8%	14.2%	13.7%
30-89 day delinquency (\$ millions)	476.3	438.7	593.2	470.6	665.0	322.9	330.8
30-89 day delinquency %	4.59%	4.40%	6.08%	5.23%	8.06%	4.73%	5.24%
Nonaccrual loans (\$ millions)	492.3	650.6	782.9	862.0	1,070.6	1,043.4	964.5
Nonaccrual loans %	4.75%	6.53%	8.02%	9.75%	12.97%	15.28%	15.59%
Net charge-offs (\$ millions)	105.3	330.8	89.1	461.7	176.4	235.3	171.5
Net charge-offs % (quarter annualized) <sup>3</sup>	4.08%	13.34%	3.63%	20.31%	8.67%	13.82%	13.82%
Cumulative net charge-offs (\$ millions)	105.3	436.1	525.1	986.9	1,163.3	1,398.6	1,570.1

<sup>1</sup> Does not include commercial land & construction loans.

<sup>2</sup> Includes commercial land & construction loans. <sup>3</sup> Ratio based on period-end loans.

Cumulative net charge-offs may not foot due rounding.



## Adjusted reserve coverage calculation

### Marshall & Isley 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	3rd Quarter		2nd Quarter		1st Quarter	
	2009	% Total	2009	% Total	2009	% Total
Reserve for Loans & Lease Losses	\$1,413.7	100%	\$1,367.8	100%	\$1,352.1	100%
Less Reserve for Specifically Analyzed Nonperforming Loans <sup>(1)</sup>	245.0	17%	215.0	16%	158.7	12%
Adjusted Reserve for Loans & Lease Losses	\$1,168.7	83%	\$1,152.8	84%	\$1,193.4	88%
Total Nonperforming Loans & Leases	\$2,250.1	100%	\$2,416.1	100%	\$2,074.6	100%
Less Specifically Analyzed Nonperforming Loans	1,550.0	69%	1,724.0	71%	1,239.8	60%
Adjusted Total Nonperforming Loans & Leases	\$700.1	31%	\$692.1	29%	\$834.8	40%
<b>Coverage Ratio</b>						
Reserve for Loans & Lease Losses / Total Nonperforming Loans & Leases (Excluding Held for Sale)	67%		62%		69%	
Adjusted Reserve for Loans & Lease Losses / Adjusted Total Nonperforming Loans & Leases (Including Held for Sale)	167%		167%		143%	

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



## Adjusted earnings calculation

### Marshall & Isley 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	3 Months	Full Year				
	Ended 09/30/09	Ended 06/30/09	Ended 03/31/09	2008	2007	2006	2005	2004
Adjusted Pre-Tax Pre-Provision Income from Continuing Operations	\$207.2	\$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	(578.7)	(619.0)	(477.9)	(2,037.7)	(319.8)	(50.6)	(44.8)	(38.0)
Total Adjustments	(578.7)	(619.0)	(477.9)	(3,572.8)	(319.8)	(50.6)	(44.8)	(38.0)
Pre-Tax Income (Loss)	(371.5)	(375.1)	(245.0)	(2,503.0)	710.6	955.1	864.8	786.0
Provision (Benefit) for Income Taxes	(148.1)	(166.1)	(153.0)	(459.5)	213.7	307.4	278.1	257.0
Income (Loss) from Continuing Operations	(223.4)	(209.0)	(92.0)	(2,043.5)	496.9	647.7	586.7	529.0
Discontinued Operations, net of tax								
Separation Transaction Costs	-	-	-	-	(25.3)	-	-	-
Gain on Sale of Metavante	-	-	-	-	525.6	-	-	-
Metavante Net Income	-	-	-	-	153.7	160.1	119.5	76.9
Net Income (Loss) Attributable to M&I	(223.4)	(209.0)	(92.0)	(2,043.5)	1,150.9	807.8	706.2	605.9
Preferred Dividends	(25.0)	(25.0)	(24.9)	(112.7)	-	-	-	-
Net Income (Loss) Available to Common Shareholders	(\$248.4)	(\$234.0)	(\$116.9)	(\$2,056.2)	\$1,150.9	\$807.8	\$706.2	\$605.9