



Marshall & Ilsley Corporation Credit Quality 2007 Fourth Quarter



Real estate portfolio review process

- Reviewed commercial and residential construction and development (C&D) portfolio
 - Determined adequacy of interest reserve and construction budget
 - Analyzed collateral values based on updated appraisals
 - Reviewed absorption rates



Loans reviewed by business unit

Construction & Development Loans

Business Unit	Loans Reviewed		Charge-offs	
	\$ (mil.)	% Total	\$ (mil.)	% Total
Arizona	\$319	23 %	26	22 %
Correspondent Banking	264	19	24	21
West Coast - Florida	327	23	40	34
Other	485	35	27	23
Total Loans & Leases	\$1,395	100 %	117	100 %



Franklin Credit update

- Actively engaged in Franklin Credit Management Corporation (FCMC) review and renegotiation
- Reviewed FCMC on-going loan loss reserve evaluation
- Evaluated FCMC loan pools to determine current level of exposure
 - Updated credit (FICO) scores and property valuations
 - Reviewed recent payment history of loan pools



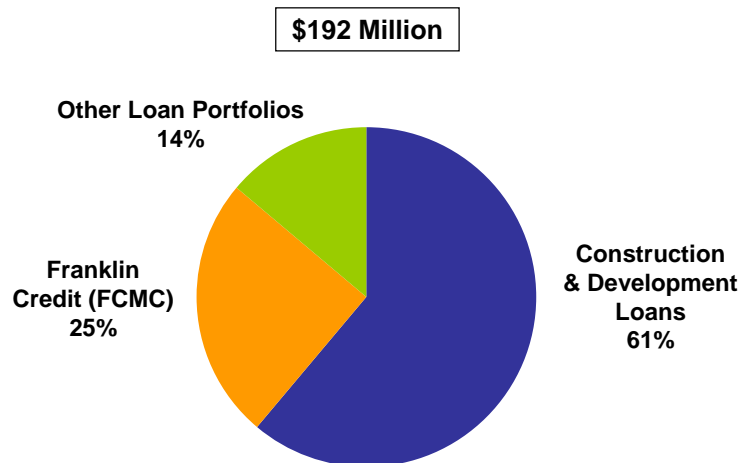
Franklin Credit update

	M&I Share of Credit Facility	
Franklin / Tribeca		
Facility A	\$175.3	
Facility B1 - B4	49.0	
Facility B5	25.0	} 80% of Facility B5 plus 100% of Facility C plus Debt Reduction were charged off at 12/31/07
Facility C	8.2	
Debt Reduction	19.7	
Total Balance Before Charge-off	277.2	
Charge-off	47.9	
Total Balance After Charge-off	\$229.3	

Note: All loans are covered under the Forbearance Agreement between FCMC and HBAN dated December 28, 2007.



2007 Fourth Quarter net charge-offs





Loan portfolio summary

MARSHALL & ILSLEY CORPORATION TOTAL LOAN PORTFOLIO AS OF DECEMBER 31, 2007 (\$millions)	Loans & Leases	% Total Loans & Leases	Non- accrual Loans & Leases	NALs % Loans & Leases by Category *
Commercial Loans & Leases	\$14,327	31 %	\$49	0.34 %
Commercial Real Estate	16,054	35	300	1.87
Residential Real Estate	9,745	21	293	3.01
Consumer Loans & Leases	6,170	13	45	0.72
Total Loans & Leases	\$46,296	100 %	\$687	1.48 %

* NAL = Non-accrual loans.

Note: Ratios may not tie to balances shown due to rounding.



Real estate portfolio summary

MARSHALL & ILSLEY CORPORATION REAL ESTATE PORTFOLIO AS OF DECEMBER 31, 2007 (\$millions)	Loans & Leases	% Total Loans & Leases	Non- accrual Loans & Leases	NALs % Loans & Leases by Category *
Commercial Real Estate	\$16,054	35 %	\$300	1.87 %
Construction & Development	4,957	11	216	4.36
Residential Real Estate	\$9,745	21 %	\$293	3.01 %
Construction & Development	4,111	9	223	5.43
Consumer Loans & Leases	\$6,170	13 %	\$45	0.72 %
Home Equity Loans & Lines	4,413	10	42	0.94

* NAL = Non-accrual loans.

Note: Ratios may not tie to balances shown due to rounding.



Selected business unit summary

MARSHALL & ILSLEY CORPORATION LOAN PORTFOLIO AS OF DECEMBER 31, 2007 (\$millions)	Loans & Leases	% Total Loans & Leases	Non- accrual Loans & Leases	NALs % Loans & Leases by Category *
Arizona	\$7,289	16 %	\$189	2.60 %
Construction & Development **	2,443	5	121	4.96
West Coast - Florida	\$1,353	3 %	\$141	10.44 %
Construction & Development ***	539	1	120	22.19
Correspondent Banking	\$2,697	6 %	\$105	3.89 %
Construction & Development **	424	1	53	12.53

* NAL = Non-accrual loans.

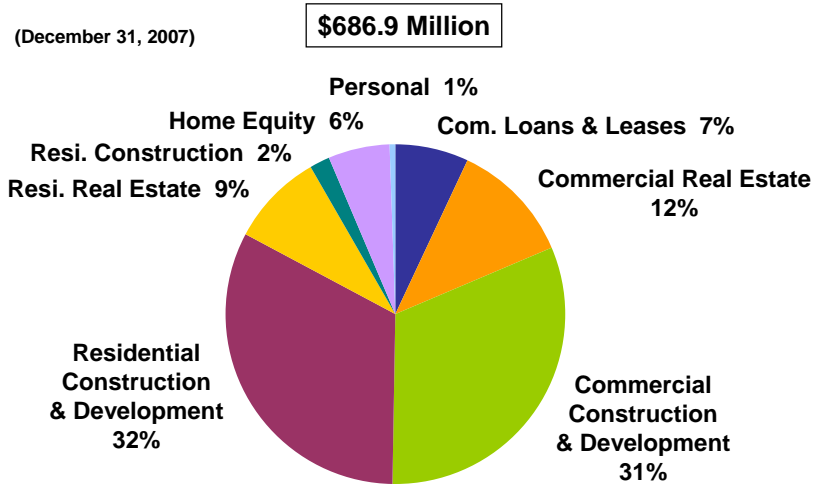
** Included in residential real estate.

*** Included in commercial real estate.

Note: Ratios may not tie to balances shown due to rounding.



Non-accrual loans by asset class

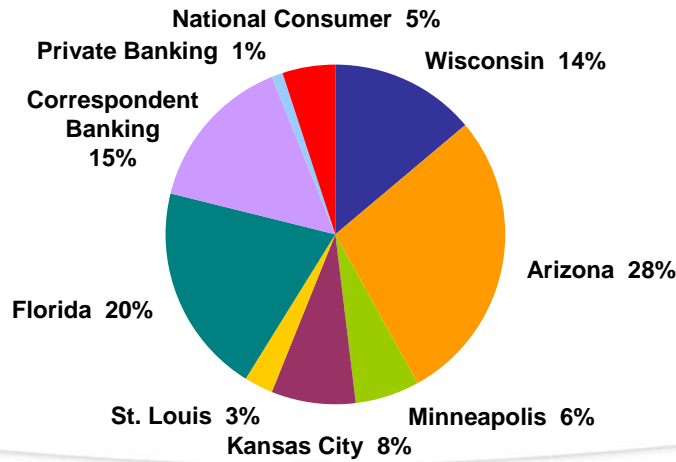




Non-accrual loans by business unit

(December 31, 2007)

\$686.9 Million



Largest non-accrual loans

(December 31, 2007)

- Non-accrual loans >\$5 million are concentrated in housing-related credits across geographies

<u>Dollar Range of NALs</u>	<u># of Loans</u>
\$15+ million	3
\$10 - \$14.9 million	4
\$5 - \$9.9 million	21
Total	28

<u>Origination Date of NALs</u>	<u>Loans (\$mil.)</u>
2006	\$81.1
2005	125.3
2004	16.5
2003	17.4
Total	\$240.3

Total \$240.3 million (35% of total NALs)

Largest NAL \$19.7 million

Number of NALs by asset class:

- (13) Commercial construction & development,
- (8) Residential construction & development,
- (5) Loans secured by vacant land,
- (2) Commercial / business purpose

Number of NALs by business unit:

- (12) West Coast - Florida, (8) Correspondent banking,
- (5) Arizona, (2) Kansas City, (1) Minneapolis

Number of NALs by geography:

- (15) Florida, (4) Arizona, (3) Illinois, (2) Minnesota,
- (1) California, (1) Missouri, (1) New Jersey, (1) Utah

* NAL = Non-accrual loans.



Marshall & Ilsley Corporation 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 predicated by 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) M&I’s obligation under Visa’s by-laws to share in potential losses in connection with certain antitrust and other pending litigation against Visa, and (iv) those referenced in Item 1A. Risk Factors in M&I’s annual report on Form 10-K for the year ended December 31, 2006 and in M&I’s quarterly report on Form 10-Q for the quarter ended June 30, 2007, which factors are incorporated herein by reference, and as may be described from time to time in M&I’s subsequent SEC filings. You 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 presentation. 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.