



Marshall & Ilsley Corporation Credit Quality Third Quarter 2008



Forward-looking statements

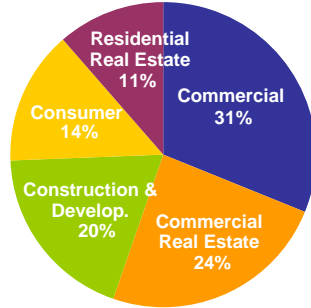
This presentation contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include, without limitation, statements regarding expected financial and operating activities and results that 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) M&I's ability to maintain required level of capital, (iv) fluctuation of M&I's stock price, and (v) 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 in M&I's quarterly report on Form 10-Q for the quarter ended June 30, 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 report.



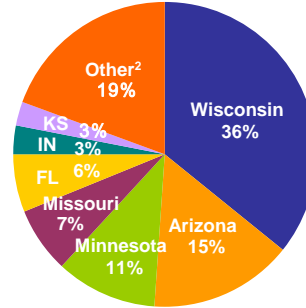
Total loans

Loans outstanding at September 30, 2008: \$50.4 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

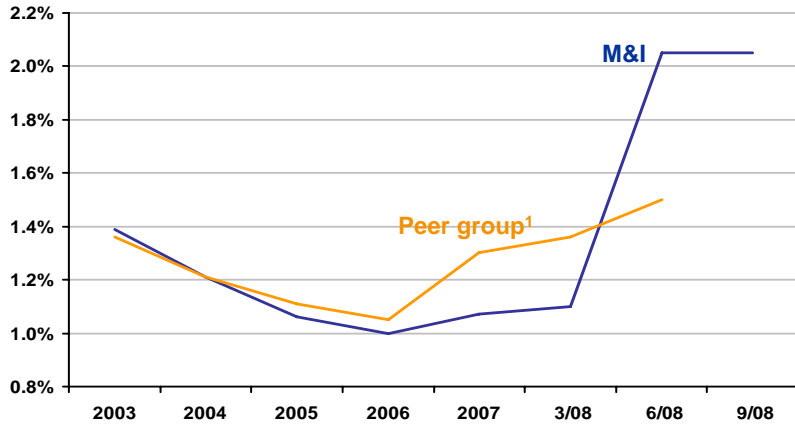
	3Q07	2Q08	3Q08
Net Charge-Offs / Average Loans	0.23%	3.23%	1.21%
Loan Loss Reserve / Period-End Loans	1.01%	2.05%	2.05%
Non-Performing Loans ¹ / Period-End Loans	1.01%	2.07%	2.70%
Loan Loss Reserve / Non-Performing Loans ¹	100%	99%	76%

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



Enhanced reserve against credit loss

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



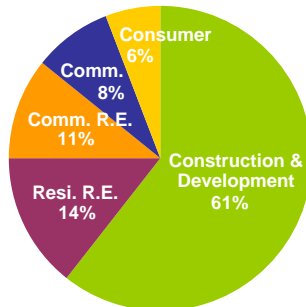
¹ Peer group consists of 16 U.S. banking companies with assets from \$22 - \$179 billion.



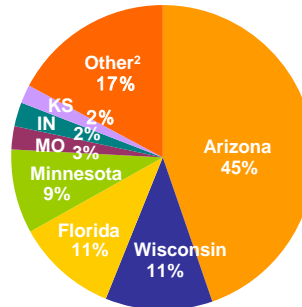
Total non-performing loans

Non-performing loans at September 30, 2008: \$1.36 billion

By Loan Category



By State¹



¹ Geography based on property zip code.

² Other category includes Illinois (5%) and states < 3% (12%).



Total non-performing loans¹ – key statistics

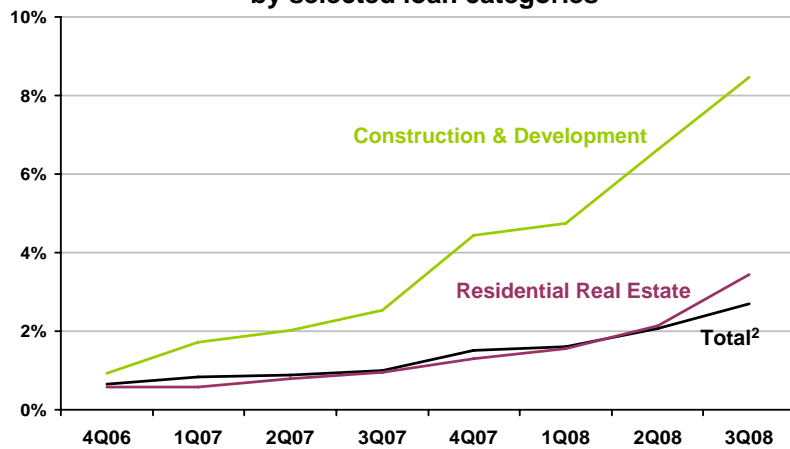
- Approximately 16% are past due less than 30 days; 26% are past due less than 90 days
- \$345 million in partial charge-offs taken against NPLs—approximately 20% of unpaid principal balance
- Largest non-performing loan (\$41 million)
- Average non-performing loan (\$314,000)
- Number of non-performing loans by dollar range
 - > Greater than \$20 million (2)
 - > \$10 - \$19.9 million (12)
 - > \$5 - \$9.9 million (23)

¹ As of September 30, 2008.



Total non-performing loans

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



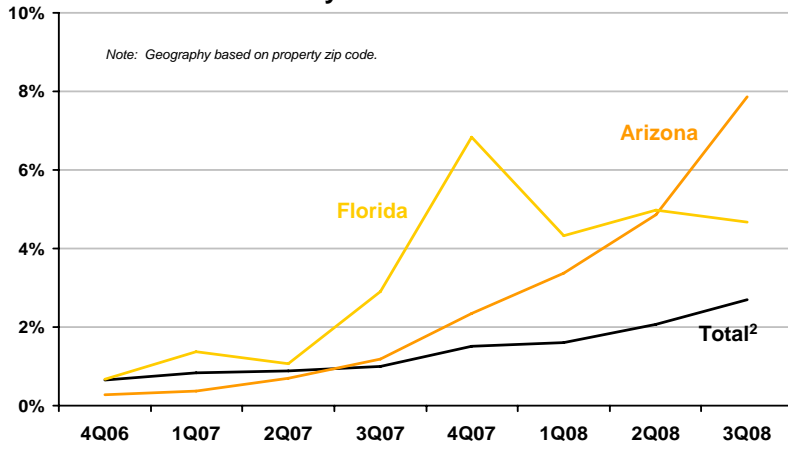
¹ Includes loans 90+ day past due and still accruing interest.

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.

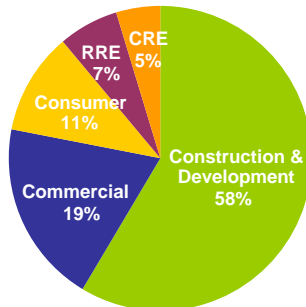
² Total non-performing loans exclude Franklin Credit Management Corp. (\$224 million) in 4Q07.



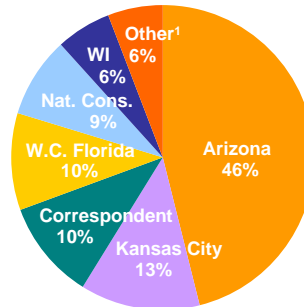
Total net charge-offs

Net charge-offs for 2008 third quarter: \$152.3 million

By Loan Category



By M&I Business Unit



¹ Other category includes Minnesota (2%) and M&I business units < 1% (4%).

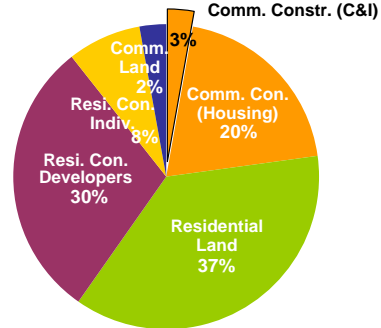
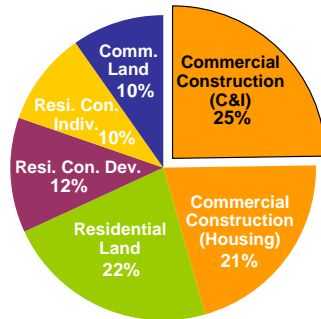


C&D loans by category

September 30, 2008

Loans: \$9.8 billion

NPLs: \$825.4 million or 8.46% loans



Note: C&D are construction and development loans.

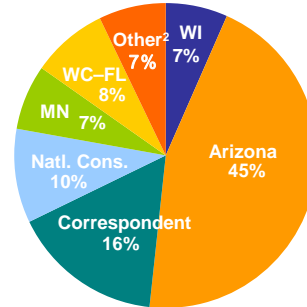
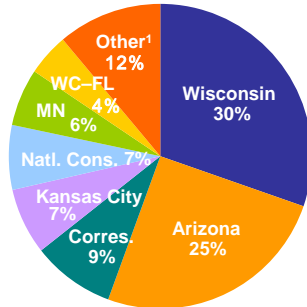


C&D loans by M&I business unit

September 30, 2008

Loans: \$9.8 billion

NPLs: \$825.4 million or 8.46% loans



¹ Other category includes Indiana (4%), St. Louis (4%), Central Florida (3%), and Private Banking (1%).

² Other category includes St. Louis (3%), Indiana (2%), Central Florida (1%), and Kansas City (1%).



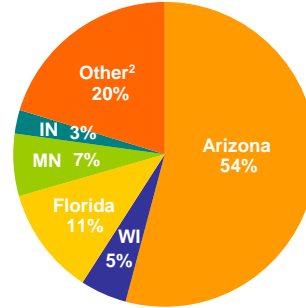
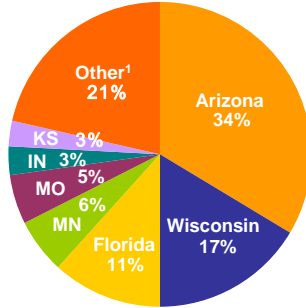
C&D loans by state

September 30, 2008

Note: Geography based on property zip code.

Loans: \$9.8 billion

NPLs: \$825.4 million or 8.46% loans



¹ Other category includes Illinois (5%), California (3%), and states < 2% (13%).
² Other category includes Illinois (7%), California (4%), and states < 2% (9%).



C&D loans¹ – key statistics

\$ Millions	Commercial		Residential		
	Construction	Land	Constr. By Individuals	Land	Constr. By Developers
Total loan portfolio size	\$4,447.9	\$957.6	\$963.3	\$2,189.6	\$1,201.3
Average loan size	3.0	0.8	0.4	0.2	1.0
Total non-performing loans	188.8	22.9	64.1	304.2	245.4
Largest non-performing loan	16.2	3.0	3.8	19.8	40.6
Average non-performing loan	1.8	0.5	0.5	0.3	1.1
# NPLs > \$5 million by \$ range					
> \$20 million	0	0	0	0	2
\$10 - \$19.9 million	5	0	0	3	1
\$5 - \$9.9 million	7	0	0	1	8
Total	12	0	0	4	11
# NPLs > \$5 million by state ²					
Arizona	2	0	0	1	4
Florida	5	0	0	1	2
Illinois	1	0	0	2	2
Wisconsin	1	0	0	0	1
Other states	3	0	0	0	2
Total	12	0	0	4	11

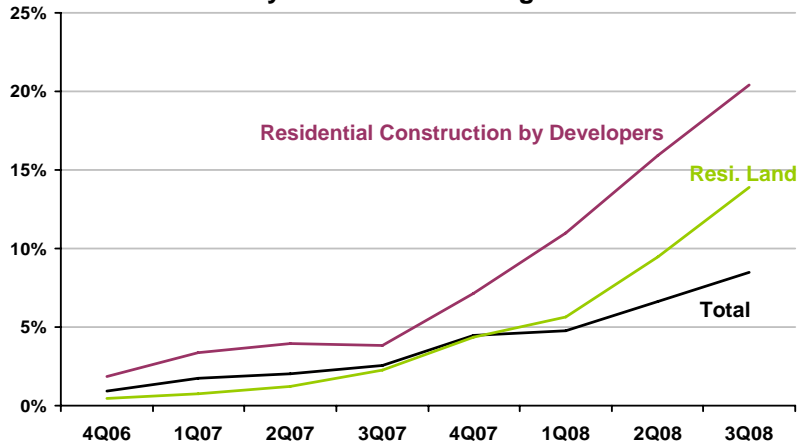
¹ As of September 30, 2008.

² Geography based on property zip code.



C&D non-performing loans

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

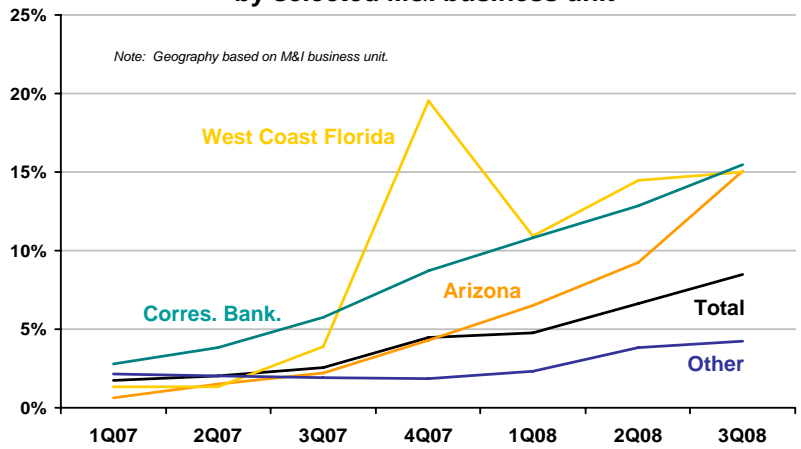


¹ Includes loans 90 + day past due and still accruing interest.



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.

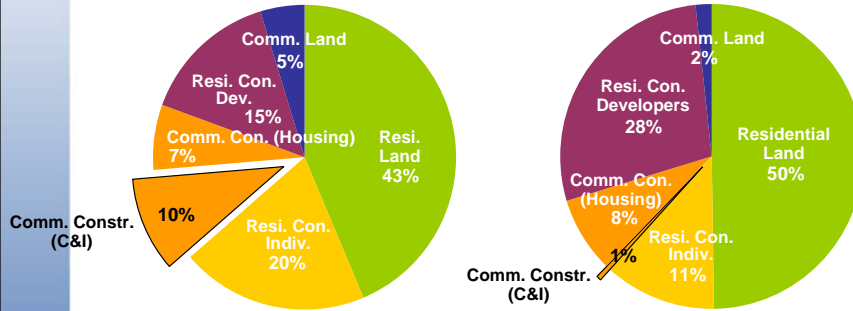


Arizona C&D loans

September 30, 2008

Loans: \$3.3 billion

NPLs: \$448 million or 13.65% loans

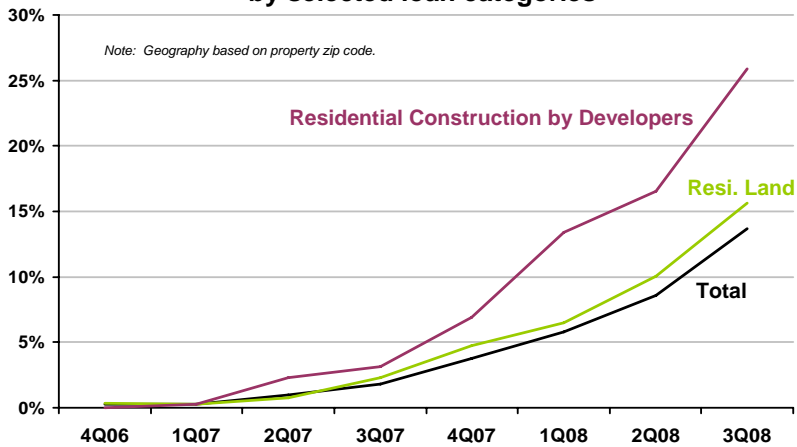


Note: Geography based on property zip code; numbers include M&I Correspondent Banking loans in market.



Arizona C&D non-performing loans

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

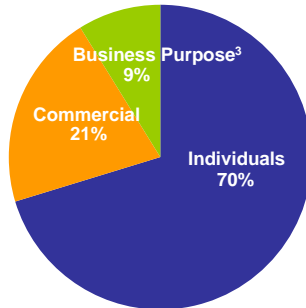


¹ Includes loans 90 + day past due and still accruing interest.

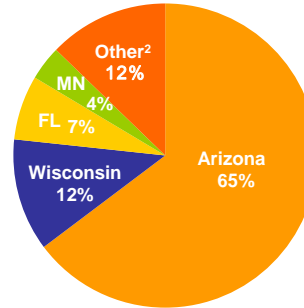
Total residential land loans

Loans outstanding at September 30, 2008: \$2.2 billion

By Customer Type



By State¹



¹ Geography based on property zip code.

² Other category includes Illinois (2%), Nevada (2%), and other states (8%).

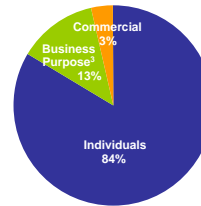
³ Loans to mid-sized local and regional builders to acquire and develop land for 1-4 family homes.

Arizona residential land loans

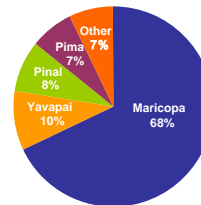
Key Statistics at September 30, 2008¹

- Total loans outstanding: \$1,431 million
- Total non-performing loans: \$223 million or 15.61%
- Loans to individuals
 - Loans outstanding: \$1,195 million
 - Average loan size: \$205,166
 - Non-performing loans: \$124 million or 10.35%
 - Original / updated FICO score: 732 / 711
 - Original / updated LTV¹: 75% / 128%
- Loans to individuals (Maricopa County)
 - Loans outstanding: \$806 million
 - Average loan size: \$256,400
 - Non-performing loans: \$90 million or 11.16%
 - Original / updated FICO score: 732 / 710
 - Original / updated LTV¹: 75% / 129%

By Customer Type



By County²



¹ Updated LTV based on market price trends.

² Geography based on property zip code.

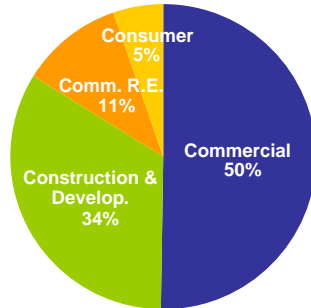
³ Loans to mid-sized local and regional builders to acquire and develop land for 1-4 family homes.



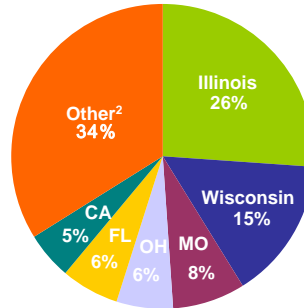
Correspondent banking loans

Loans outstanding at September 30, 2008: \$2.6 billion

By Loan Category



By State¹



¹ Geography based on property zip code.

² Other category includes Nebraska (4%), Texas (4%), Utah (4%), and states < 3% (22%).

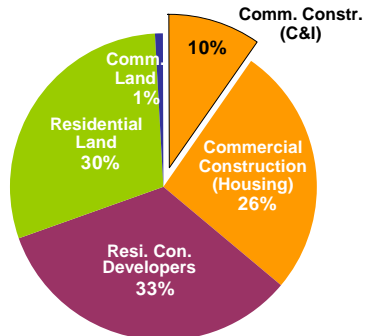
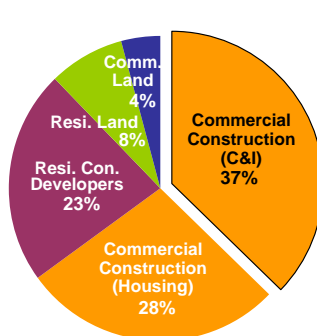


Correspondent banking C&D loans

September 30, 2008

Loans: \$867.1 million

NPLs: \$134.1 million or 15.46% loans



Note: Geography based on M&I business unit.

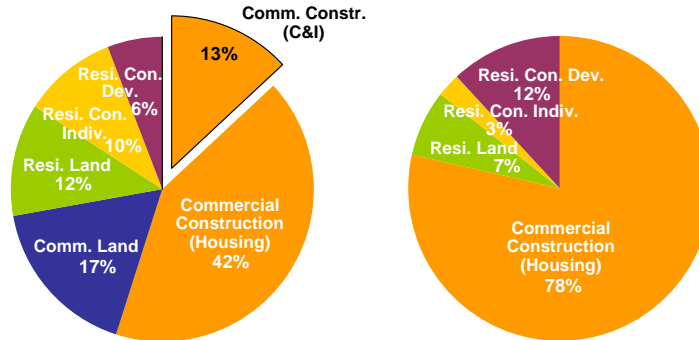


West Coast Florida C&D loans

September 30, 2008

Loans: \$442.9 million

NPLs: \$66.5 million or 15.01% loans



Note: Geography based on M&I business unit.

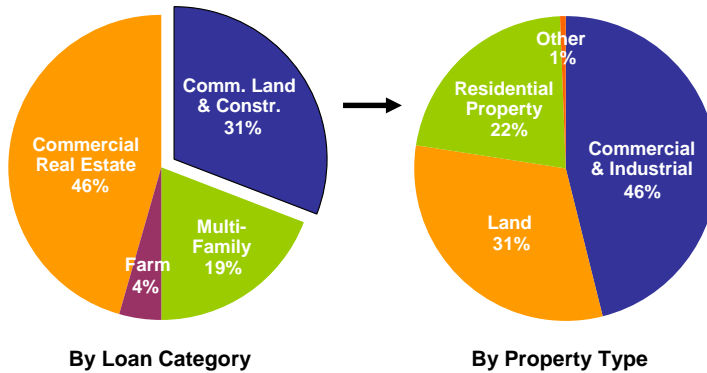


Commercial real estate loans

September 30, 2008

Total Commercial Real Estate Loans: \$17.5 billion

Commercial Land & Construction Loans: \$5.4 billion



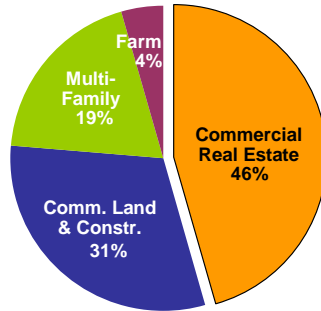


Commercial real estate loans

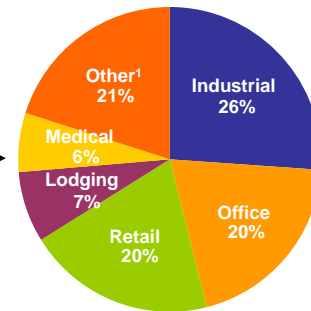
September 30, 2008

Total Comm. R.E. Loans: \$17.5 billion
(26% Owner Occupied)

Comm. R.E. Loans: \$8.0 billion
(41% Owner Occupied)



By Loan Category



By Property Type

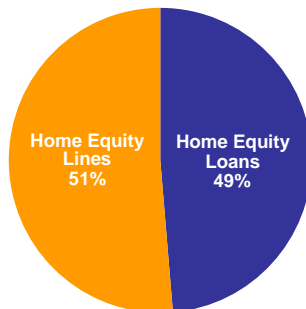
¹ Other category includes Vehicle Dealership (4%), Gas Station (4%), Restaurants (3%), and other < 2% (10%).



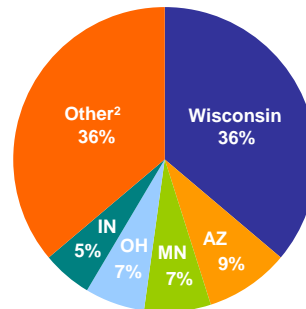
Home equity lines and loans

Loans outstanding at September 30, 2008: \$5.1 billion

By Loan Category



By State¹



¹ Geography based on property zip code.

² Other category includes Missouri (4%), Florida (3%), Illinois (3%), and states < 3% (26%).



Home equity¹ – key statistics

- Home equity loans
 - Original / updated FICO score (727 / 716)
 - Original / updated LTV² (85% / 89%)
 - % secured by first mortgage (81%)
- Home equity lines
 - Original / updated FICO score (739 / 712)
 - Original / updated LTV² (79% / 80%)
 - % secured by first mortgage (16%)
 - % drawn (55%)

¹ As of September 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.