



## Marshall & Ilsley Corporation Credit Quality Third Quarter 2010



### Forward-looking statements

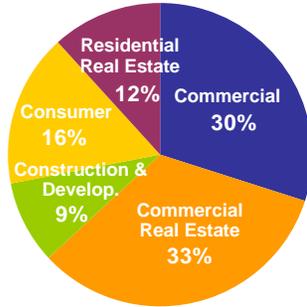
This presentation contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include, without limitation, statements regarding expected financial and operating activities and results that 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) general business and economic conditions, including credit risk and interest rate risk, (ii) M&I's exposure to increased credit risks associated with its real estate loans, (iii) various factors, including changes in economic conditions affecting borrowers, new information regarding existing loans and identification of additional problem loans, which could require an increase in M&I's allowance for loan and lease losses, (iv) federal and state agency regulation and enforcement actions, which could limit M&I's activities, increase its cost structures or have other negative effects on M&I, (v) M&I's ability to maintain required levels of capital, (vi) the impact of recent and future legislative initiatives on the financial markets or on M&I, (vii) M&I's exposure to the actions and potential failure of other financial institutions, (viii) volatility in M&I's stock price and in the capital and credit markets in general, and (ix) those factors referenced in Item 1A. Risk Factors in M&I's Annual Report on Form 10-K for the year ended December 31, 2009 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 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 presentation.



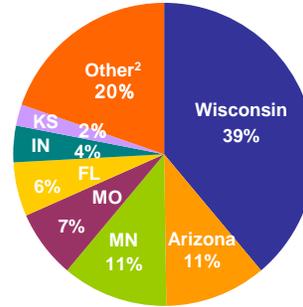
# Diversified loan portfolio

Total loans at September 30, 2010: \$39.7 billion

Loans by asset class



Loans by geography<sup>1</sup>



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

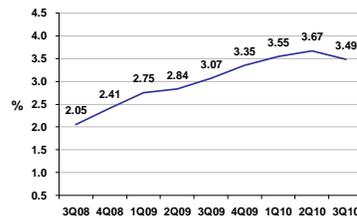
<sup>2</sup> Other geography includes Illinois (5%) and states < 2% (15%).



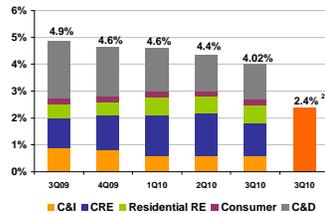
# Continued credit stabilization

- Nonperforming loans \$1.6 billion
- Proactively addressing credit
  - Identifying and writing down troubled assets
  - Selling problem loans (\$2.6 billion since 1Q08)
  - Reducing exposure to C&D loans (9.1% of total loans)
  - Strengthened loan loss reserves (LLR up 155% since 1Q08)
- Continued encouraging signs credit quality is improving

Reserves / Period-end loans



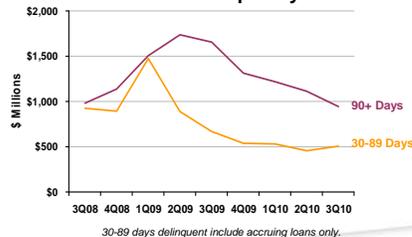
NPLs<sup>1</sup> / Period-end loans



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

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

Total loans delinquency trend



30-89 days delinquent include accruing loans only.



## Stabilizing inflows of nonperforming loans

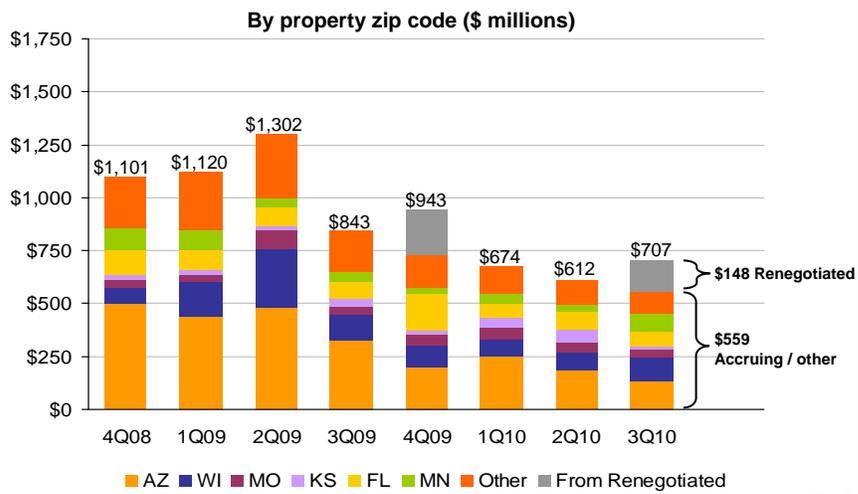
(\$mil)	2008		2009				2010		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Beginning	\$1,007	\$1,261	\$1,527	\$2,075	\$2,416	\$2,250	\$2,045	\$1,954	\$1,801
Increases:									
Renegotiated	-	9	36	51	33	214 <sup>1</sup>	43	28	148 <sup>2</sup>
Accruing / Other	636	1,092	1,084	1,251	810	729	631	584	559
<b>Total Increases</b>	<b>636</b>	<b>1,101</b>	<b>1,120</b>	<b>1,302</b>	<b>843</b>	<b>943</b>	<b>674</b>	<b>612</b>	<b>707</b>
Decreases:									
Charge-offs	109	438	202	474	383	486	372	343	484
ORE / Sold	168	182	188	208	325	344	195	212	242
Accrual / TDR	37	105	72	91	124	120	58	63	44
Paydowns / Other	68	110	110	188	177	198	140	147	140
<b>Total Decreases</b>	<b>382</b>	<b>835</b>	<b>572</b>	<b>961</b>	<b>1,009</b>	<b>1,148</b>	<b>765</b>	<b>765</b>	<b>910</b>
Ending	\$1,261	\$1,527	\$2,075	\$2,416	\$2,250	\$2,045	\$1,954	\$1,801	\$1,598

<sup>1</sup> Includes \$170 million transfer of related renegotiated commercial real estate loans discussed in 4Q09 earnings release conference call.

<sup>2</sup> Includes \$83 million transfer of hospitality industry loans and two other significant lending relationships.



## Nonperforming loan inflows

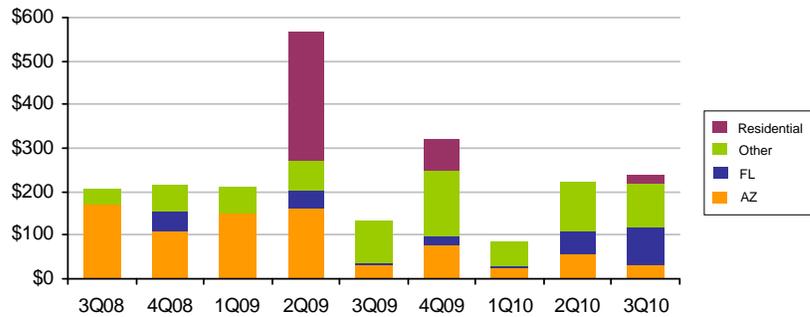




## Aggressively selling problem assets

- Disposition strategy initially focused on Florida and then Arizona
  - Limited inventory remains for additional large loan sales in those geographies

Loan sale history by quarter (\$ Millions)<sup>1</sup>



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



## Strong reserve coverage

As of September 30, 2010  
(\$ millions)

Total nonperforming loans <sup>1</sup>	
– Unpaid principal balance	\$2,419
– Lifetime charge-offs	821
– Ledger balance	\$1,598
Total reserve for loan & lease losses	\$1,388
Loan loss reserve coverage ratio	89% <sup>2</sup>

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

Total nonperforming loans	
– Unpaid principal balance	\$1,710
– Lifetime charge-offs	646
– Ledger balance	\$1,064
Reserves based on specific impairment analysis	\$155
Lifetime charge-offs result in 38% 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	\$709
– Lifetime charge-offs	175
– Ledger balance	\$534
Reserves net of specific allocation	\$1,143 <sup>3</sup>
Loan loss reserve coverage ratio of loans not subject to specific impairment analysis	214%

<sup>1</sup> Includes \$34 million of nonperforming loans held for sale.

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

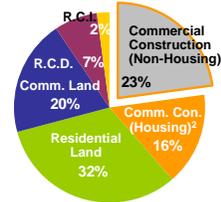
<sup>3</sup> Excludes \$90 million of loan loss reserve assigned to renegotiated loans.



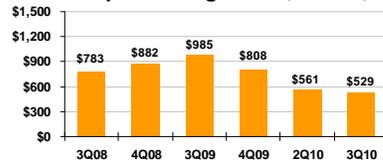
## Shrinking stressed C&D portfolio

- C&D loans of \$3.6 billion (9.1% of total loans)
- C&D nonperforming loans of \$529 million (33% of total NPLs)
- Aggressively shrinking C&D portfolio
  - Currently 9% of total loans vs. 23% in 3Q07
  - C&D loans have decreased \$6.8 billion or 65% vs. 1Q08
  - Targeting below 10% of total loans
  - Further contraction expected

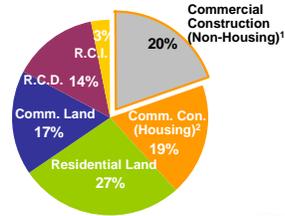
Loans: \$3.6 billion



Nonperforming loans (\$ Millions)



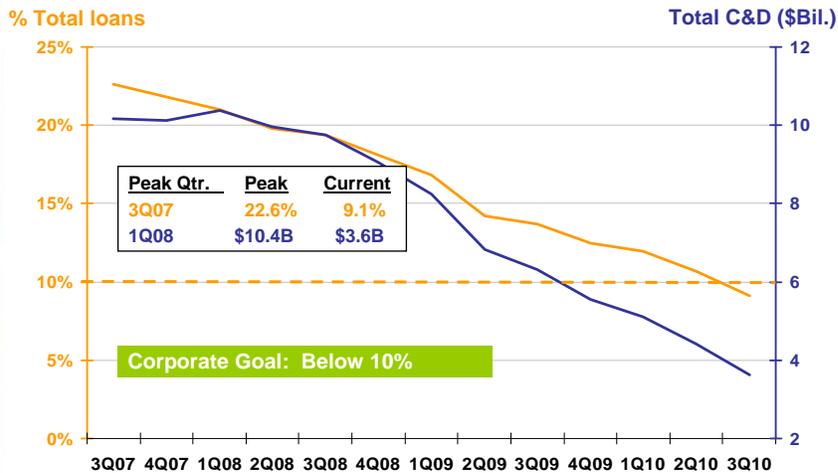
Nonperforming: \$529 million or 14.6% loans



<sup>1</sup> Includes commercial & industrial and agricultural real estate C&D loans.  
<sup>2</sup> Includes land and residential property loans.  
 Some time periods excluded for illustrative purposes.



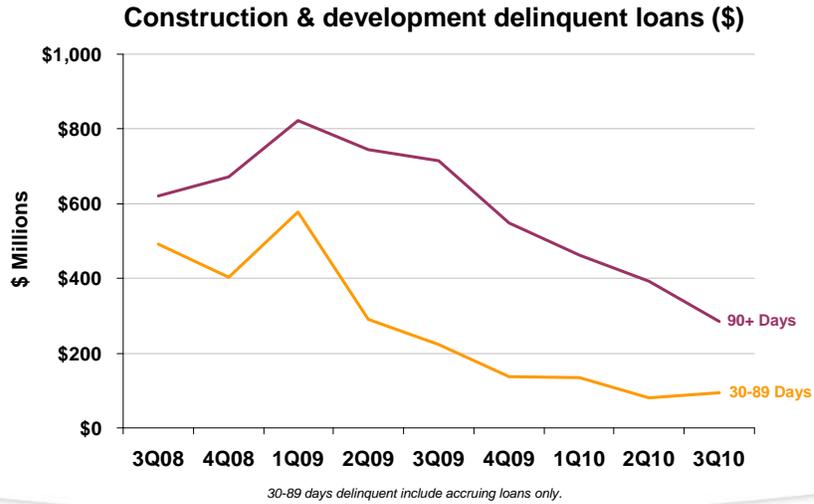
## Reducing exposure to C&D loans



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

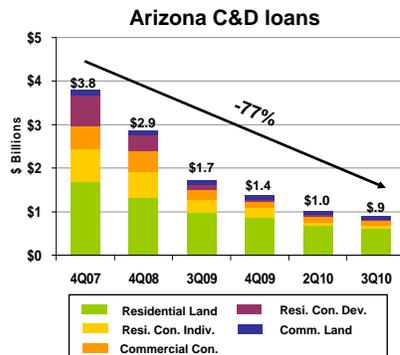


## C&D delinquency trends



## Arizona total C&D loans down 77%

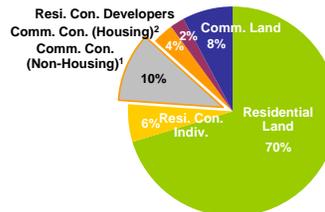
- Aggressively shrinking Arizona portfolio
  - Total C&D loans have decreased by \$2.9 billion or 77% since 4Q07



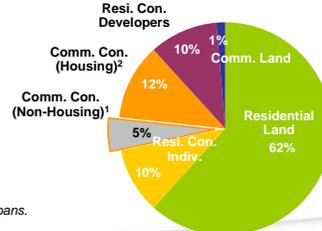
*Note: Geography based on property zip code. Some time periods excluded for illustrative purposes.*  
<sup>1</sup> Includes commercial & industrial and agricultural real estate C&D loans.  
<sup>2</sup> Includes land and residential property loans.

September 30, 2010

Loans: \$0.9 billion



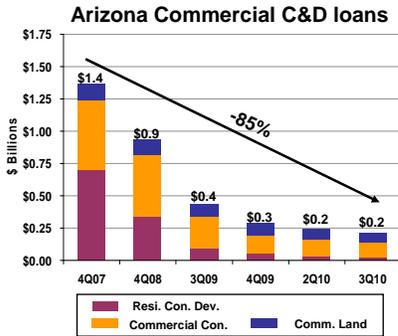
Nonperforming: \$98 million or 11.1% loans





## Arizona commercial C&D loans down 85%

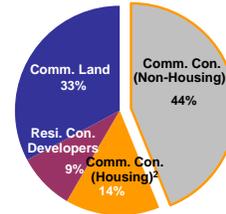
- Aggressively shrinking Arizona portfolio
  - Commercial C&D loans have decreased by \$1.2 billion or 85% since 4Q07



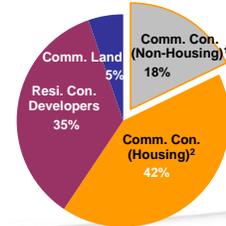
Note: Geography based on property zip code.  
Some time periods excluded for illustrative purposes.  
<sup>1</sup> Includes commercial & industrial and agricultural real estate C&D loans.  
<sup>2</sup> Includes land and residential property loans.

September 30, 2010

Loans: \$211 million

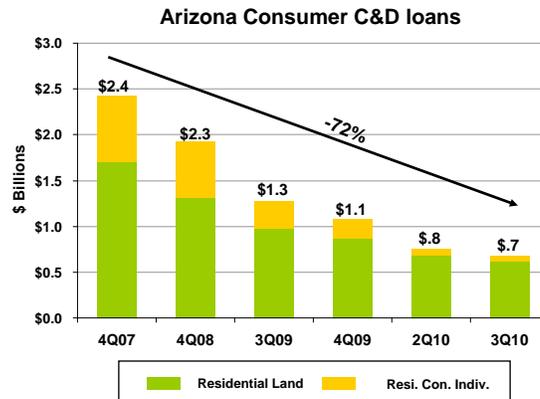


Nonperforming: \$28 million or 13.2% loans



## Arizona consumer C&D loans down 72%

- Aggressively shrinking Arizona portfolio
  - Consumer C&D loans have decreased by \$1.8 billion or 72% since 4Q07
  - Nonperforming: \$70M or 10.5% loans



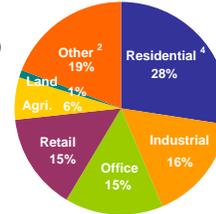
Note: Geography based on property zip code.



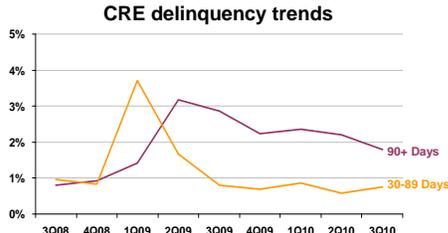
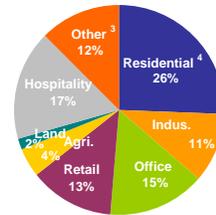
# Commercial real estate<sup>1</sup> portfolio

- CRE loans of \$13 billion (33% of total loans)
- **40% of business real estate loans are owner occupied**
- CRE nonperforming loans of \$483 million (30% of total NPLs)
  - Approx. 3.7% of total CRE loans
  - Down 26% from prior quarter's \$656 million
- 50% of NPL's are less than 90 days past due

Loans: \$13 billion



Nonperforming: \$483 million



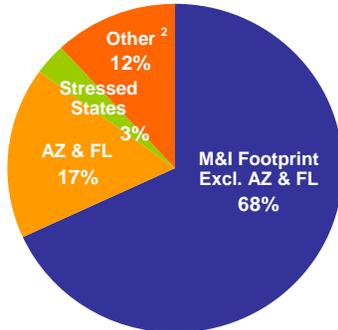
<sup>1</sup> CRE does not include commercial land & construction loans.  
<sup>2</sup> Other category includes Hospitality (5%), Medical Facilities (4%), & other < 3% (10%).  
<sup>3</sup> Other category includes other <4% (12%).  
<sup>4</sup> Over 90% are multi-family loans and business purpose loans backed by a 1-4 family residence.



# Business real estate loans

Loans outstanding at September 30, 2010: \$8.9 billion

By state<sup>1</sup>



	\$ Millions		
	Total Loans	NPL's	NPL %
Wisconsin	\$3,229	\$66	2.1 %
Minnesota	1,254	44	3.5
Missouri	830	37	4.5
Kansas	284	16	5.5
Indiana	397	13	3.2
<b>Total M&amp;I Footprint States Excl. AZ &amp; FL</b>	<b>5,994</b>	<b>175</b>	<b>2.9</b>
Arizona	772	22	2.9
Florida	698	48	6.9
<b>Total AZ &amp; FL</b>	<b>1,470</b>	<b>71</b>	<b>4.8</b>
<b>Economically Stressed States<sup>3</sup></b>	<b>250</b>	<b>8</b>	<b>3.3</b>
<b>Remaining States</b>	<b>1,136</b>	<b>84</b>	<b>7.4</b>
<b>Total Business Real Estate</b>	<b>\$8,850</b>	<b>\$338</b>	<b>3.8 %</b>

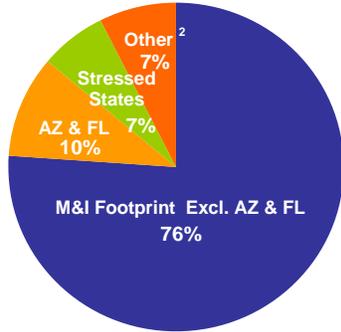
<sup>1</sup> Geography based on property zip code.  
<sup>2</sup> Other includes IL (5%) and other states <2% (7%).  
<sup>3</sup> Includes OH, MI, CA, GA, NV & NY.  
 Totals may not foot due to rounding.



# Multifamily loans

Loans outstanding at September 30, 2010: \$3.5 billion

By state<sup>1</sup>



State	Total Loans	NPL's	NPL %
Wisconsin	\$1,933	\$41	2.1 %
Minnesota	313	8	2.7
Missouri	195	8	4.1
Kansas	48	5	10.9
Indiana	140	3	2.3
<b>Total M&amp;I Footprint States Excl. AZ &amp; FL</b>	<b>2,630</b>	<b>66</b>	<b>2.5</b>
Arizona	119	15	12.5
Florida	224	36	16.2
<b>Total AZ &amp; FL</b>	<b>343</b>	<b>51</b>	<b>14.9</b>
Economically Stressed States <sup>3</sup>	226	2	1.0
Remaining States	279	5	1.8
<b>Total Multi-Family Loans</b>	<b>\$3,478</b>	<b>\$124</b>	<b>3.6 %</b>

\$ Millions			
Multi-family Loans			
Total Loans	NPL's	NPL %	
\$1,933	\$41	2.1 %	
313	8	2.7	
195	8	4.1	
48	5	10.9	
140	3	2.3	
<b>2,630</b>	<b>66</b>	<b>2.5</b>	
119	15	12.5	
224	36	16.2	
<b>343</b>	<b>51</b>	<b>14.9</b>	
226	2	1.0	
279	5	1.8	
<b>\$3,478</b>	<b>\$124</b>	<b>3.6 %</b>	

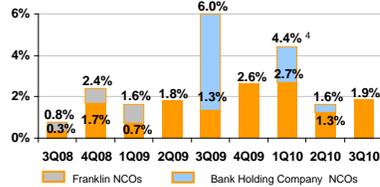
<sup>1</sup> Geography based on property zip code.  
<sup>2</sup> Other includes IL (4%) and other states <2% (3%).  
<sup>3</sup> Includes OH, MI, CA, GA, NV & NY.  
 Totals may not foot due to rounding.



# Commercial & industrial loans

- C&I loans of \$12 billion (30% of total loans)
- C&I nonperforming loans of \$232 million (15% of total NPLs)

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



Loans: \$12 billion



Nonperforming: \$232 million or 1.9% loans



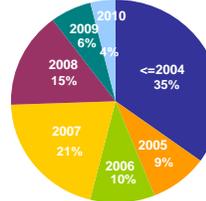
<sup>1</sup> Other category includes Professional (5%), Ag. Forestry Fishing Hunting (5%), Transportation & Warehousing (4%), Management Companies (3%), Health Care (3%) and other < 3% (11%).  
<sup>2</sup> Other category includes Professional (9%), Mining (8%), Management Companies (3%) and other <3% (14%).  
<sup>3</sup> Based on end of period loan balance.  
<sup>4</sup> \$50M of 1Q10 bank holding company NCO's had been fully reserved since 1Q09.



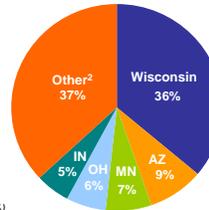
# Home equity lines / loans

- Home equity lines / loans of \$4.4 billion (11% of total loans)
  - 59% lines and 41% loans
  - 45% secured by first mortgage
  - 60% HELOC drawn
- Home equity nonperforming lines / loans of \$84 million (5% of total NPLs)
- 1.9% in nonperforming status

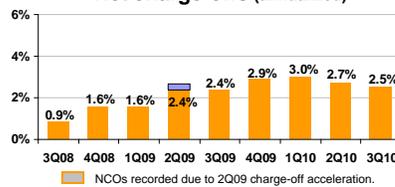
**By vintage**  
(Sold majority of 2005 & 2006 originations)



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



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



■ NCOs recorded due to 2Q09 charge-off acceleration.

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

<sup>2</sup> Other geography includes Missouri (5%), Florida (4%), Illinois (4%), and states < 3% (24%).

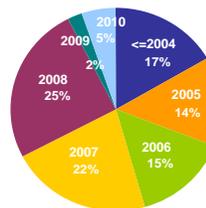
<sup>3</sup> Based on end of period loan balance.



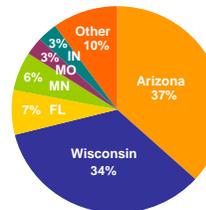
# Residential real estate loans

- RRE loans of \$5 billion (12% of total loans)
  - Predominantly prime with no option ARMS or subprime
- RRE nonperforming loans of \$261 million (16% of total NPLs)
- 5.7% NPL ratio
- 3.2% NPL ratio for M&I footprint states excluding AZ & FL<sup>1</sup>
- Arizona has realized the most deterioration
  - 9.3% in nonperforming status

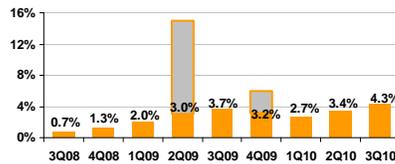
**By vintage**



**By geography**<sup>3</sup>



**Net charge-offs (annualized)**<sup>2</sup>



■ NCOs recorded due to 2Q09 charge-off acceleration and impact of loan sales completed on 7/31/09 and in 4Q09.

<sup>1</sup> Includes WI, MN, MO, IN & KS.

<sup>2</sup> Based on end of period loan balance.

<sup>3</sup> Geography based on property zip code.

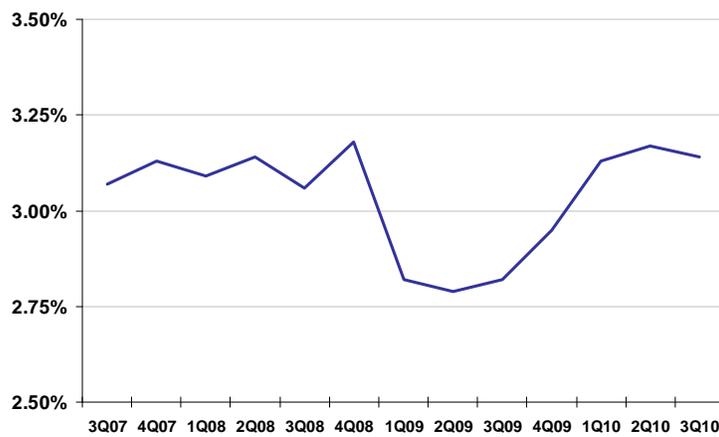


## Appendix A

### *Business Overview*



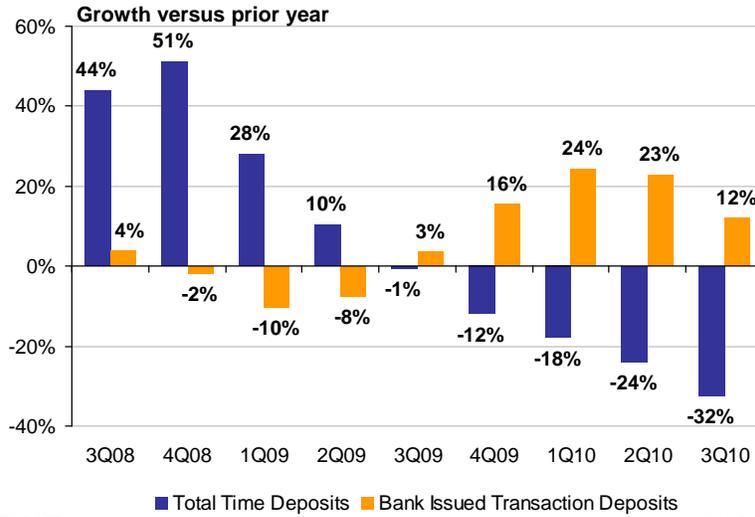
## Net interest margin



*Net interest margin (FTE) / average earning assets shown.*



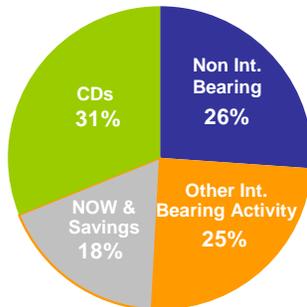
## Deposit trends



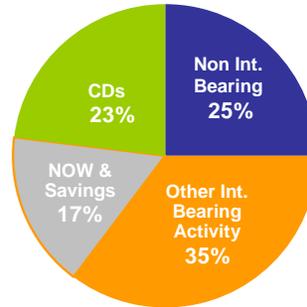
## Reduced reliance on CDs

### Bank-issued Deposits

3Q09: \$30.1 billion



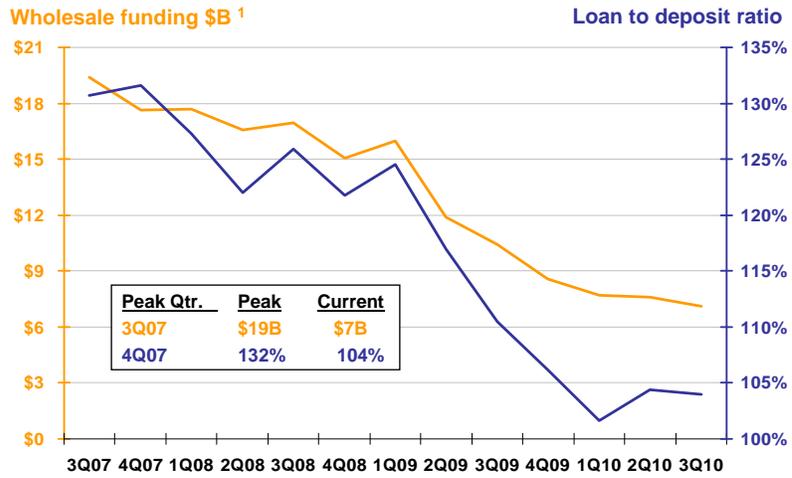
3Q10: \$30.3 billion



Note: Based on quarter to date averages.



## Lower borrowings



## Appendix B

*Loan portfolio summary*

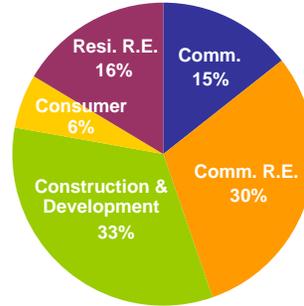


## Total loans by asset class

September 30, 2010

Loans: \$39.7 billion

Nonperforming: \$1,598 million or 4.02% loans

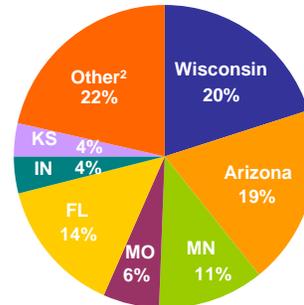
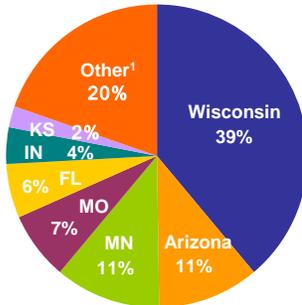


## Total loans by property zip code

September 30, 2010

Loans: \$39.7 billion

Nonperforming: \$1,598 million or 4.02% loans



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

<sup>2</sup> Other category includes Illinois (7%) and states < 3% (15%).

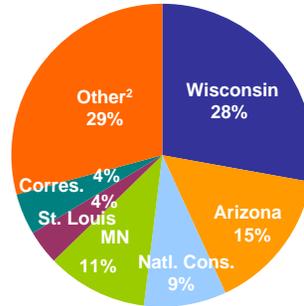
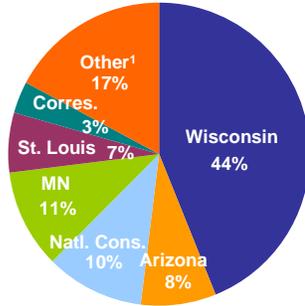


# Total loans by M&I business unit

September 30, 2010

Loans: \$39.7 billion

Nonperforming: \$1,598 million or 4.02% loans



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

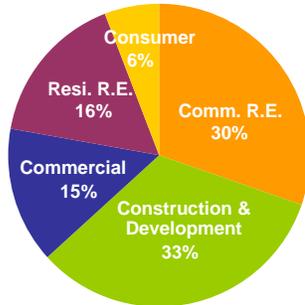
<sup>2</sup> Other category includes Kansas City (12%), Florida (10%), Indiana (5%), and Private Banking (2%).



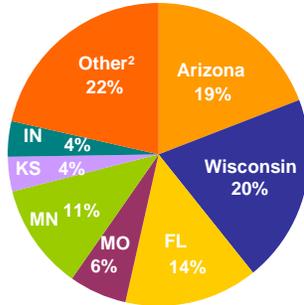
# Total nonperforming loans

Nonperforming loans at September 30, 2010: \$1,598 million

By loan category



By state<sup>1</sup>



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

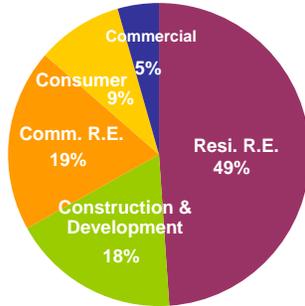
<sup>2</sup> Other category includes Illinois (7%) and states < 3% (15%).



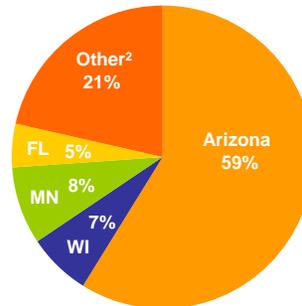
## Total renegotiated loans

Renegotiated loans at September 30, 2010: \$548 million

By loan category



By state<sup>1</sup>



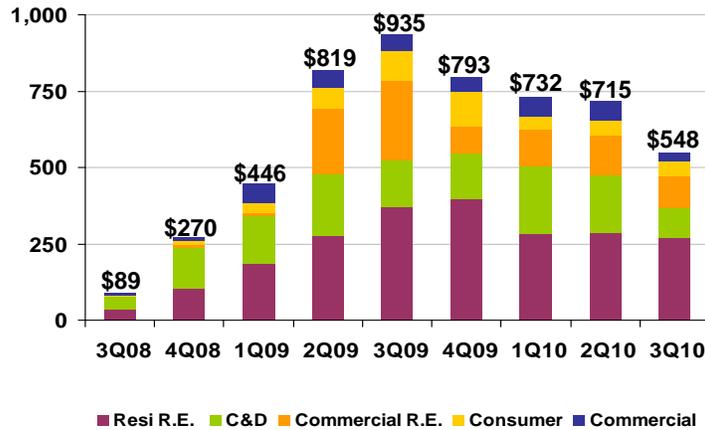
<sup>1</sup> Geography based on property zip code.

<sup>2</sup> Other category includes Texas (5%), Illinois (4%) & states < 2% (12%).



## Total renegotiated loans

By loan category (\$ millions)



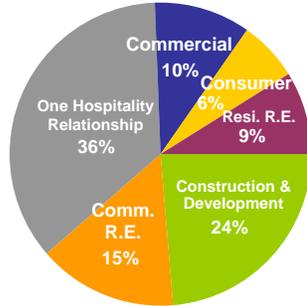
Based on period end balances.



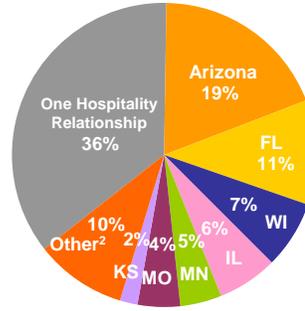
## Total net charge-offs

Net charge-offs for 2010 third quarter: \$560 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 < 5% (10%).



## Appendix C

*Construction & development loans (C&D)*

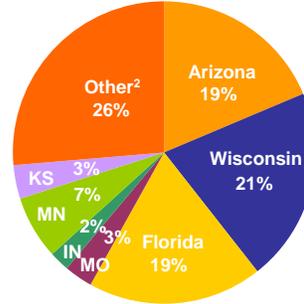
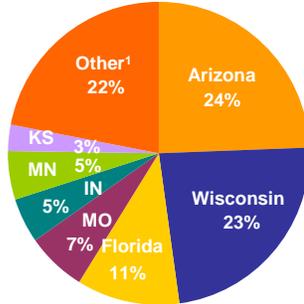


## C&D loans by property zip code

September 30, 2010

Loans: \$3.6 billion  
(peak \$10 billion 1Q08)

Nonperforming: \$529 million or 14.6% loans



<sup>1</sup> Other category includes Illinois (5%) and states < 4% (17%).

<sup>2</sup> Other category includes Illinois (13%) Arkansas (8%), and states < 3% (5%).

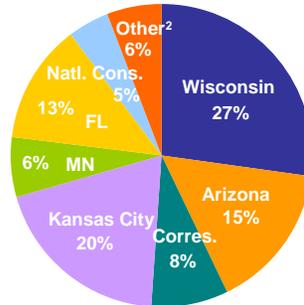
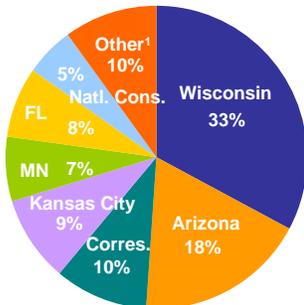


## C&D loans by M&I business unit

September 30, 2010

Loans: \$3.6 billion  
(peak \$10 billion 1Q08)

Nonperforming: \$529 million or 14.6% loans



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

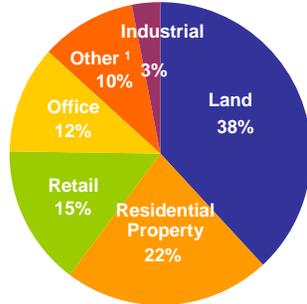
<sup>2</sup> Other category includes Indiana (3%), St. Louis (2%) and Private Banking (1%).



# Commercial land & construction loans

Loans outstanding at September 30, 2010: \$2.1 billion

## By loan property type



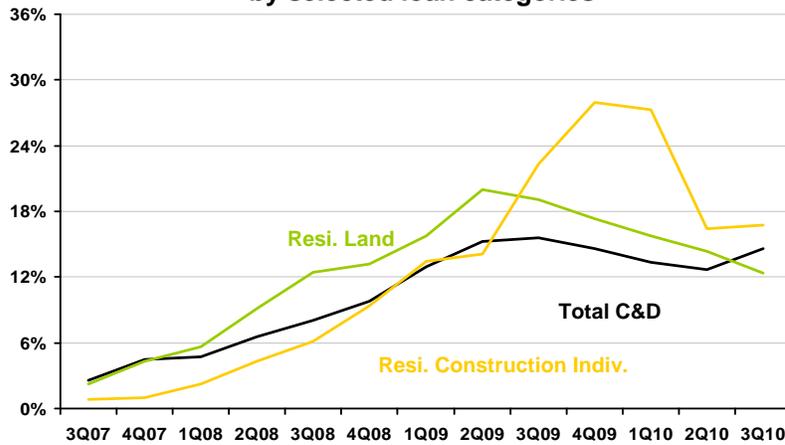
Property Type	Comm. Land & Construction Loans		
	\$ Millions	% Total	NPL %
<b>Commercial &amp; Industrial</b>			
Industrial	\$62	3	7.5 %
Retail	314	15	23.4
Office	245	12	6.9
Other <sup>1</sup>	215	10	5.7
<b>Total C&amp;I</b>	<b>\$837</b>	<b>40</b>	<b>12.9</b>
Land	800	38	15.8
Residential Property	469	22	12.9
Agricultural Real Estate	1	0	0.0
Other	0	0	N/A
<b>Total</b>	<b>\$2,106</b>	<b>100</b>	<b>14.0 %</b>

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



# C&D nonperforming loans

## Nonperforming loans / Period-end loans by selected loan categories

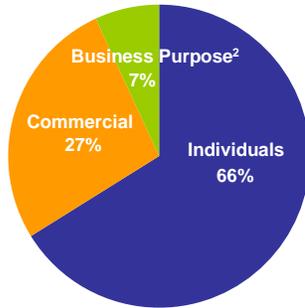




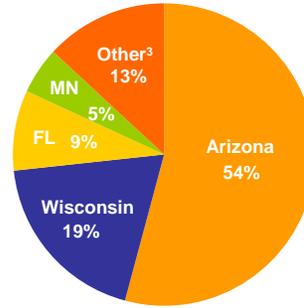
# Total residential land loans

Loans outstanding at September 30, 2010: \$1.2 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 Missouri (2%), Kansas (2%) & other states (9%).

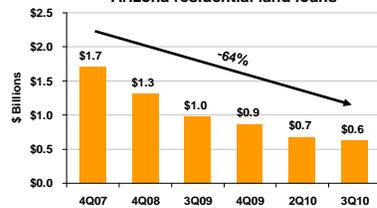


# Arizona residential land loans

## Key Statistics at September 30, 2010

- Total loans outstanding: \$620 million
- Total nonperforming loans: \$61 million or 9.8%
- Loans to individuals
  - Loans outstanding: \$538 million
  - Updated FICO on performing loans: 724
  - Average loan size: \$159 thousand
  - Nonperforming loans: \$48 million or 8.9%
- Loans to individuals (Maricopa County)
  - Loans outstanding: \$343 million
  - Average loan size: \$199 thousand
  - Nonperforming loans: \$33 million or 9.8%

Arizona residential land loans

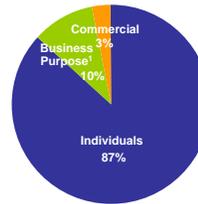


Some time periods excluded for illustrative purposes.

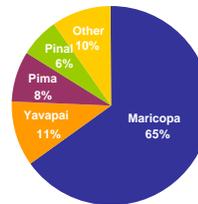
<sup>1</sup> Loans to mid-sized local and regional builders to acquire and develop land for 1-4 family homes.

<sup>2</sup> Geography based on property zip code.

By customer type



By county<sup>2</sup>

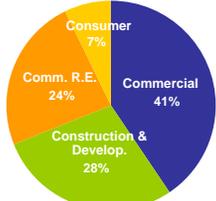




# Correspondent banking loans

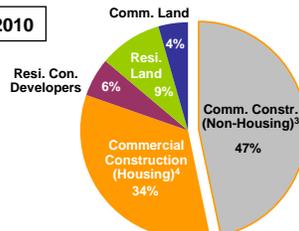
Total loans: \$1.3 billion

By loan category

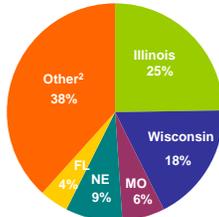


September 30, 2010

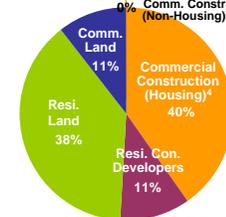
C&D loans: \$364 million



By state<sup>1</sup>



C&D nonperforming: \$44 million or 12.0% loans



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

<sup>2</sup> Other category includes Texas (6%), Utah (5%) and states < 4% (27%).

<sup>3</sup> Includes commercial & industrial and agricultural real estate C&D loans.

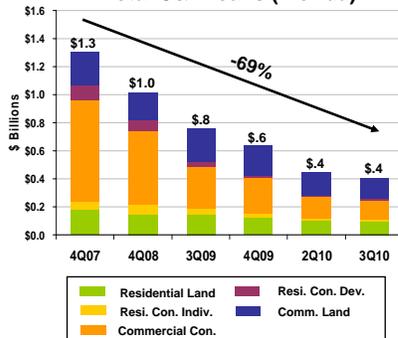
<sup>4</sup> Includes land and residential property loans.



# Florida C&D loans down 69%

- Aggressively shrinking Florida portfolio
  - Total C&D loans have decreased by \$0.9 billion or 69% since 4Q07

Total C&D loans (Florida)



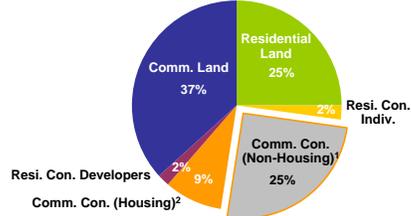
Note: Geography based on property zip code. Some time periods excluded for illustrative purposes.

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

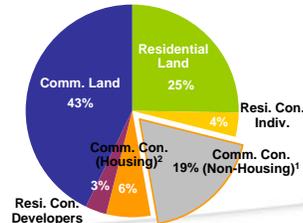
<sup>2</sup> Includes land and residential property loans.

September 30, 2010

Loans: \$404 million



Nonperforming: \$100 million or 24.7% 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 D

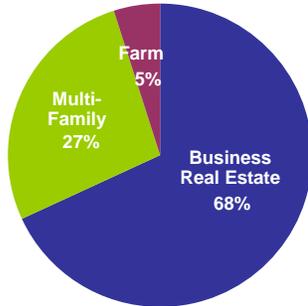
*Commercial real estate loans (CRE)*



## Total commercial real estate loans

Loans outstanding at September 30, 2010: \$13.1 billion

### By loan category



Property Type	Total Commercial Real Estate Loans		
	\$ Millions	% Total	NPL %
Commercial & Industrial			
Industrial	\$2,112	16	2.5 %
Retail	1,895	15	3.4
Office	1,965	15	3.7
Other <sup>1</sup>	2,495	19	5.6
<b>Total C&amp;I<sup>2</sup></b>	<b>\$8,468</b>	<b>65</b>	<b>3.9</b>
Land	151	1	5.5
Residential Property	3,584	27	3.4
Agricultural Real Estate	829	6	2.6
Other	25	0	N/A
<b>Total</b>	<b>\$13,057</b>	<b>100</b>	<b>3.7 %</b>

<sup>1</sup> Other category includes Hospitality (5%), Medical (4%), and other < 3% (10%).

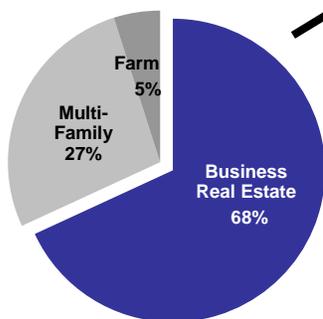
<sup>2</sup> Geographic distribution is Wisconsin (37%), Minnesota (14%), Missouri (9%), Arizona (9%), Florida (8%), Illinois (5%), Indiana (4%), Kansas (3%), and other states <2% (11%).  
Totals may not foot due to rounding.



## Business real estate loans

Loans outstanding at September 30, 2010: \$8.9 billion

### By loan category



Property Type	Business Real Estate Loans		
	\$ Millions	% Total	NPL %
Commercial & Industrial			
Industrial	\$2,109	24	2.5 %
Retail	1,894	21	3.4
Office	1,962	22	3.7
Other <sup>1</sup>	2,471	28	5.7
<b>Total C&amp;I</b>	<b>\$8,438</b>	<b>95</b>	<b>3.9</b>
Land	136	2	4.3
Residential Property	149	2	1.1
Agricultural Real Estate	106	1	0.7
Other	22	0	N/A
<b>Total</b>	<b>\$8,850</b>	<b>100</b>	<b>3.8 %</b>

<sup>1</sup> Other category includes Hospitality (7%), Medical (6%), Vehicle Dealership (4%), Gas Station (3%), Restaurant (3%), and other < 2% (5%).  
Totals may not foot due to rounding.



## Appendix E

### Supplemental financial information



## Loan portfolio statistics

<b>Total Loans</b>	<b>3Q08</b>	<b>4Q08</b>	<b>1Q09</b>	<b>2Q09</b>	<b>3Q09</b>	<b>4Q09</b>	<b>1Q10</b>	<b>2Q10</b>	<b>3Q10</b>
Period-end loans (\$ millions)	50,417.2	49,984.5	49,244.7	48,183.1	46,106.3	44,217.6	42,648.8	41,317.5	39,723.1
% Total loans	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
30-89 day delinquency (\$ millions) <sup>1</sup>	922.4	891.2	1,477.0	890.3	666.1	539.1	533.6	457.3	507.2
30-89 day delinquency %	1.83%	1.78%	3.00%	1.85%	1.44%	1.22%	1.25%	1.11%	1.28%
Nonaccrual loans (\$ millions)	1,260.6	1,527.0	2,074.6	2,416.1	2,250.1	2,044.8	1,953.8	1,801.4	1,597.6
Nonaccrual loans %	2.50%	3.05%	4.21%	5.01%	4.88%	4.62%	4.58%	4.36%	4.02%
Net charge-offs (\$ millions)	152.3	679.8	328.0	603.3	532.7	572.3	423.4	438.3	560.3
Net charge-offs % (qtr annualized)	1.21%	5.38%	2.67%	4.95%	4.48%	5.01%	3.94%	4.17%	5.47%
<b>Commercial Loans &amp; Leases</b>	<b>3Q08</b>	<b>4Q08</b>	<b>1Q09</b>	<b>2Q09</b>	<b>3Q09</b>	<b>4Q09</b>	<b>1Q10</b>	<b>2Q10</b>	<b>3Q10</b>
Period-end loans (\$ millions)	15,710.9	15,441.7	15,107.8	14,792.4	13,532.9	12,949.9	12,315.5	12,246.9	11,953.6
% Total loans	31.2%	30.9%	30.7%	30.7%	29.4%	29.3%	28.9%	29.6%	30.1%
30-89 day delinquency (\$ millions) <sup>1</sup>	55.1	51.4	68.4	79.4	53.8	30.5	43.3	33.8	25.7
30-89 day delinquency %	0.35%	0.33%	0.45%	0.54%	0.40%	0.24%	0.35%	0.28%	0.21%
Nonaccrual loans (\$ millions)	110.9	168.5	336.4	431.7	411.1	350.5	252.7	246.0	232.0
Nonaccrual loans %	0.71%	1.09%	2.23%	2.92%	3.04%	2.71%	2.05%	2.01%	1.94%
Net charge-offs (\$ millions)	29.7	93.9	60.7	66.8	205.5	86.0	134.1	49.3	56.3
Net charge-offs % (qtr annualized) <sup>2</sup>	0.75%	2.42%	1.63%	1.81%	6.02%	2.64%	4.42%	1.61%	1.87%

<sup>1</sup> Includes accruing loans only.

<sup>2</sup> Ratio based on period-end loans.



## Loan portfolio statistics

<u>Total Commercial Real Estate Loans</u> <sup>1</sup>	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10
Period-end loans (\$ millions)	12,114.1	12,541.5	12,998.9	13,938.3	13,884.3	13,645.9	13,532.0	13,310.5	13,057.2
% Total loans	24.0%	25.1%	26.4%	28.9%	30.1%	30.9%	31.7%	32.2%	32.9%
30-89 day delinquency (\$ millions) <sup>3</sup>	116.5	104.7	482.2	231.2	111.4	94.0	116.2	76.8	99.1
30-89 day delinquency %	0.96%	0.83%	3.71%	1.66%	0.80%	0.69%	0.86%	0.58%	0.76%
Nonaccrual loans (\$ millions)	144.9	178.3	286.6	559.2	509.6	584.9	657.1	655.7	482.9
Nonaccrual loans %	1.20%	1.42%	2.20%	4.01%	3.67%	4.29%	4.86%	4.93%	3.70%
Net charge-offs (\$ millions)	7.1	72.1	34.0	55.3	69.6	78.4	53.4	98.8	284.8
Net charge-offs % (qtr annualized) <sup>4</sup>	0.23%	2.29%	1.06%	1.59%	1.99%	2.28%	1.60%	2.98%	8.65%

<u>Residential Real Estate Loans</u> <sup>2</sup>	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10
Period-end loans (\$ millions)	5,674.5	5,733.9	5,711.0	5,464.6	5,135.2	4,968.9	4,823.8	4,625.0	4,578.8
% Total loans	11.3%	11.5%	11.6%	11.3%	11.1%	11.2%	11.3%	11.2%	11.5%
30-89 day delinquency (\$ millions) <sup>3</sup>	160.6	229.7	250.9	194.6	178.2	188.0	159.9	172.0	191.6
30-89 day delinquency %	2.83%	4.01%	4.39%	3.56%	3.47%	3.78%	3.31%	3.72%	4.19%
Nonaccrual loans (\$ millions)	159.1	221.8	291.9	285.7	236.8	206.1	269.6	252.3	261.1
Nonaccrual loans %	2.80%	3.87%	5.11%	5.23%	4.61%	4.15%	5.59%	5.45%	5.70%
Net charge-offs (\$ millions)	10.0	18.9	27.8	204.5	47.2	75.3	32.4	39.0	49.8
Net charge-offs % (qtr annualized) <sup>4</sup>	0.70%	1.31%	1.97%	15.01%	3.65%	6.01%	2.73%	3.38%	4.32%

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

<sup>3</sup> Includes accruing loans only.

<sup>2</sup> Does not include residential land & residential construction loans.

<sup>4</sup> Ratio based on period-end loans.



## Loan portfolio statistics

<u>Total Construction and Development Loans</u> <sup>1</sup>	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10
Period-end loans (\$ millions)	9,759.7	9,043.3	8,251.4	6,829.3	6,314.2	5,538.9	5,105.6	4,418.5	3,616.9
% Total loans	19.4%	18.1%	16.8%	14.2%	13.7%	12.5%	12.0%	10.7%	9.1%
30-89 day delinquency (\$ millions) <sup>2</sup>	491.2	402.9	578.1	289.8	222.1	136.7	135.0	81.6	95.4
30-89 day delinquency %	5.03%	4.46%	7.01%	4.24%	3.52%	2.47%	2.64%	1.85%	2.64%
Nonaccrual loans (\$ millions)	782.8	882.0	1,070.6	1,043.4	984.5	807.5	681.5	561.0	528.6
Nonaccrual loans %	8.02%	9.75%	12.97%	15.28%	15.59%	14.58%	13.35%	12.70%	14.61%
Net charge-offs (\$ millions)	89.1	461.7	176.4	235.3	171.5	270.3	159.7	207.5	132.6
Net charge-offs % (qtr annualized) <sup>3</sup>	3.63%	20.31%	8.67%	13.82%	10.77%	19.36%	12.68%	18.84%	14.54%

<u>Home Equity Loans &amp; Lines</u>	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10
Period-end loans (\$ millions)	5,053.1	5,082.0	5,025.1	4,911.5	4,812.6	4,714.6	4,590.1	4,487.4	4,366.7
% Total loans	10.0%	10.2%	10.2%	10.2%	10.4%	10.7%	10.8%	10.9%	11.0%
30-89 day delinquency (\$ millions) <sup>2</sup>	81.2	92.0	81.9	86.3	85.3	70.5	67.3	83.1	84.9
30-89 day delinquency %	1.61%	1.81%	1.63%	1.76%	1.77%	1.50%	1.47%	1.85%	1.94%
Nonaccrual loans (\$ millions)	59.3	67.3	83.5	86.4	94.5	84.9	80.0	77.0	84.5
Nonaccrual loans %	1.17%	1.32%	1.66%	1.76%	1.96%	1.80%	1.74%	1.72%	1.93%
Net charge-offs (\$ millions)	10.8	20.4	19.4	33.4	29.2	34.6	34.1	30.3	27.9
Net charge-offs % (qtr annualized) <sup>3</sup>	0.85%	1.59%	1.56%	2.73%	2.40%	2.91%	3.02%	2.71%	2.54%

<sup>1</sup> Includes commercial land & construction loans.

<sup>3</sup> Ratio based on period-end loans.

<sup>2</sup> Includes accruing loans only.



## Adjusted reserve coverage calculation

### 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 \$	2010						2009					
	3rd Qtr	% Total	2nd Qtr	% Total	1st Qtr	% Total	4th Qtr	% Total	3rd Qtr	% Total		
<b>Coverage Ratio Components</b>												
Reserve for Loans & Lease Losses	\$1,388	100%	\$1,517	100%	\$1,515	100%	\$1,481	100%	\$1,414	100%		
Less Reserve for Specifically Analyzed Nonperforming Loans <sup>(1)</sup>	155	11%	234	15%	228	15%	262	18%	245	17%		
Less Reserve for Renegotiated Loans	90	6%	133	9%	132	9%	121	8%	124	9%		
<b>Adjusted Reserve for Loans &amp; Lease Losses</b>	<b>\$1,143</b>	<b>82%</b>	<b>\$1,150</b>	<b>76%</b>	<b>\$1,155</b>	<b>76%</b>	<b>\$1,098</b>	<b>74%</b>	<b>\$1,045</b>	<b>74%</b>		
Total Nonperforming Loans & Leases	\$1,598	100%	\$1,801	100%	\$1,954	100%	\$2,045	100%	\$2,250	100%		
Less Specifically Analyzed Nonperforming Loans	1,064	67%	1,235	69%	1,321	68%	1,417	69%	1,550	69%		
<b>Adjusted Total Nonperforming Loans &amp; Leases</b>	<b>\$534</b>	<b>33%</b>	<b>\$566</b>	<b>31%</b>	<b>\$633</b>	<b>32%</b>	<b>\$628</b>	<b>31%</b>	<b>\$700</b>	<b>31%</b>		
<b>Coverage Ratio</b>												
Reserve for Loans & Lease Losses / Total Nonperforming Loans & Leases (Excluding Held for Sale)		89%		88%		80%		75%		67%		
Adjusted Reserve for Loans & Lease Losses / Adjusted Total Nonperforming Loans & Leases (Including Held for Sale)		214%		203%		182%		175%		149%		

(1) In addition, partial charge-offs have been taken against the specifically analyzed loans.  
Totals may not foot due to rounding.



## Adjusted earnings calculation

### Marshall & Ilsley Corporation Reconciliation of Adjusted Pre-Tax Pre-Provision Income from Continuing Operations to Net Income (Loss) Available to Common Shareholders

Reconciliation - Millions \$	3 Months Ended	Full Year								
	09/30/10	06/30/10	03/31/10	12/31/09	09/30/09	2009	2008	2007	2006	2005
Adjusted Pre-Tax Pre-Provision Income from Continuing Operations	\$185.0	\$187.9	\$259.1	\$234.7	\$207.2	\$918.8	\$1,069.8	\$1,030.4	\$1,005.7	\$909.6
Goodwill Impairment	-	-	-	-	-	-	(1,535.1)	-	-	-
Pre-Tax Provision for Loan & Lease Losses	(431.7)	(439.9)	(458.1)	(639.0)	(578.7)	(2,314.6)	(2,037.7)	(319.8)	(50.6)	(44.8)
Total Adjustments	(431.7)	(439.9)	(458.1)	(639.0)	(578.7)	(2,314.6)	(3,572.8)	(319.8)	(50.6)	(44.8)
Pre-Tax Income (Loss)	(246.7)	(252.0)	(199.0)	(404.3)	(371.5)	(1,395.8)	(2,503.0)	710.6	955.1	864.8
Provision (Benefit) for Income Taxes	(102.8)	(103.4)	(83.6)	(170.0)	(148.1)	(637.2)	(459.5)	213.7	307.4	278.1
Income (Loss) from Continuing Operations	(143.9)	(148.6)	(115.4)	(234.3)	(223.4)	(758.6)	(2,043.5)	496.9	647.7	586.7
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
Net Income (Loss) Attributable to M&I	(143.9)	(148.6)	(115.4)	(234.3)	(223.4)	(758.6)	(2,043.5)	1,150.9	807.8	706.2
Preferred Dividends	(25.3)	(25.2)	(25.1)	(25.2)	(25.0)	(100.2)	(12.7)	-	-	-
Net Income (Loss) Avail. to Common Shareholders	(\$169.2)	(\$173.8)	(\$140.5)	(\$259.5)	(\$248.4)	(\$858.8)	(\$2,056.2)	\$1,150.9	\$807.8	\$706.2