



## Marshall & Ilsley Corporation Credit Quality Fourth 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) risks associated with M&I's pending merger with BMO Financial Group, including, without limitation, failure to receive regulatory or shareholder approval of the merger or to complete the merger in a timely manner or at all, deposit or customer attrition, disruption of M&I's business, and unanticipated costs relating to the merger, (ii) 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, (iii) general business and economic conditions, including credit risk and interest rate risk, (iv) M&I's exposure to increased credit risks associated with its real estate loans, (v) 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, (vi) M&I's ability to maintain required levels of capital, (vii) the impact of recent and future legislative initiatives on the financial markets or on M&I, (viii) M&I's exposure to the actions and potential failure of other financial institutions, (ix) volatility in M&I's stock price and in the capital and credit markets in general, and (x) 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.



## Additional information for shareholders

In connection with M&I's pending merger with BMO Financial Group, BMO will file with the SEC a Registration Statement on Form F-4 that will include a Proxy Statement of M&I and a Prospectus of BMO, as well as other relevant documents concerning the proposed transaction. Shareholders are urged to read the Registration Statement and the Proxy Statement/Prospectus regarding the merger when it becomes available and any other relevant documents filed with the SEC, as well as any amendments or supplements to those documents, because they will contain important information.

A free copy of the Proxy Statement/Prospectus, as well as other filings containing information about BMO and M&I, may be obtained at the SEC's Internet site (<http://www.sec.gov>). You will also be able to obtain these documents, free of charge, from BMO at [www.BMO.com](http://www.BMO.com) under the tab "About BMO - Investor Relations," from M&I by accessing M&I's website at [www.MICorp.com](http://www.MICorp.com) under the tab "Investor Relations" and then under the heading "SEC Filings", or from M&I at (414) 765-7814.

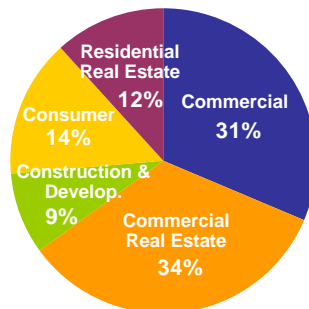
BMO and M&I and certain of their directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of M&I in connection with the merger. Information about the directors and executive officers of BMO is set forth in the proxy statement for BMO's 2010 annual meeting of shareholders, as filed with the SEC on Form 6-K on February 26, 2010. Information about the directors and executive officers of M&I is set forth in the proxy statement for M&I's 2010 annual meeting of shareholders, as filed with the SEC on a Schedule 14A on March 12, 2010. Additional information regarding the interests of those participants and other persons who may be deemed participants in the transaction may be obtained by reading the Proxy Statement/Prospectus regarding the merger when it becomes available. Free copies of this document may be obtained as described in the preceding paragraph.



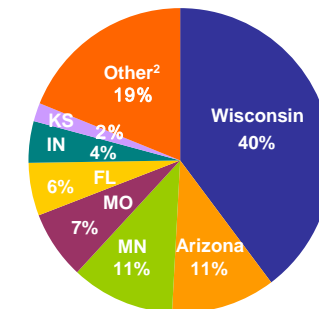
## Diversified loan portfolio

Total loans at December 31, 2010: \$37.0 billion

Loans by asset class



Loans by geography<sup>1</sup>



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

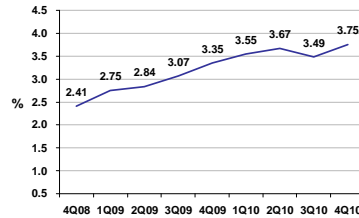
<sup>2</sup> Other geography includes Illinois (5%) and states < 2% (14%).



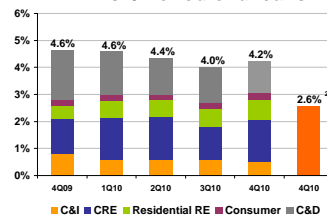
## Continued credit stabilization

- Nonperforming loans \$1.6 billion
- Proactively addressing credit
  - Identifying and writing down troubled assets
  - Selling problem loans (\$2.7 billion since 1Q08)
  - Reducing exposure to C&D loans (8.7% 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



## Stabilizing inflows of nonperforming loans

(\$mil)	2008		2009				2010			
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	
Beginning	\$1,261	\$1,527	\$2,075	\$2,416	\$2,250	\$2,045	\$1,954	\$1,801	\$1,598	
Increases:										
Renegotiated	9	36	51	33	214 <sup>1</sup>	43	28	148 <sup>2</sup>	57	
Accruing / Other	1,092	1,084	1,251	810	729	631	584	559	581	
Total Increases	1,101	1,120	1,302	843	943	674	612	707	638	
Decreases:										
Charge-offs	438	202	474	383	486	372	343	484 <sup>3</sup>	347	
ORE / Sold	182	188	208	325	344	195	212	242	147	
Accrual / TDR	105	72	91	124	120	58	63	44	49	
Paydowns / Other	110	110	188	177	198	140	147	140	125	
Total Decreases	835	572	961	1,009	1,148	765	765	910	668	
Ending	\$1,527	\$2,075	\$2,416	\$2,250	\$2,045	\$1,954	\$1,801	\$1,598	\$1,568	

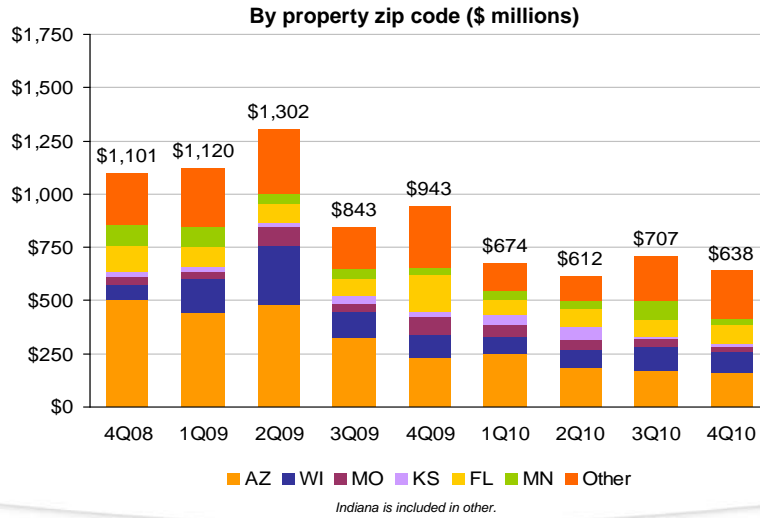
<sup>1</sup> Includes \$170 million transfer of related renegotiated commercial real estate loans discussed in 4Q09 earnings release conference call.

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

<sup>3</sup> Includes \$201 million hospitality industry relationship net charge-off.

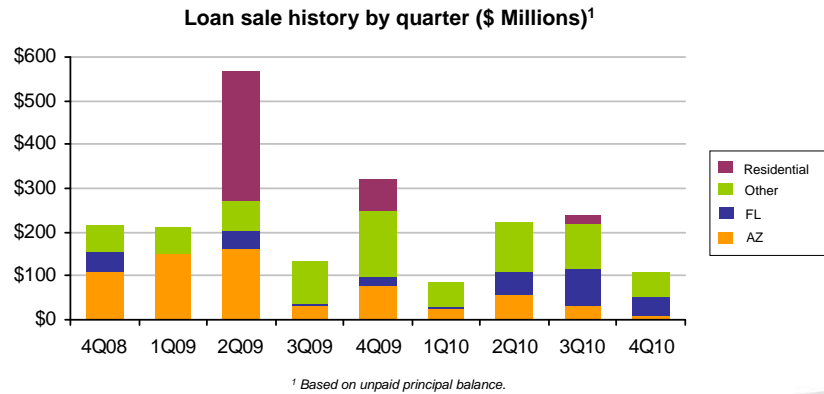


## Nonperforming loan inflows



## Aggressively selling problem assets

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





## Strong reserve coverage

As of December 31, 2010  
(\$ millions)

• Total nonperforming loans <sup>1</sup>	
– Unpaid principal balance	\$2,444
– Lifetime charge-offs	876
– Ledger balance	\$1,568
• Total reserve for loan & lease losses	\$1,388
• Loan loss reserve coverage ratio	90% <sup>2</sup>

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

• Total nonperforming loans	
– Unpaid principal balance	\$1,729
– Lifetime charge-offs	690
– Ledger balance	\$1,039
• Reserves based on specific impairment analysis	\$86
• Lifetime charge-offs result in 40% 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	\$715
– Lifetime charge-offs	186
– Ledger balance	\$529
• Reserves net of specific allocation	\$1,227 <sup>3</sup>
• Loan loss reserve coverage ratio of loans not subject to specific impairment analysis	232%

<sup>1</sup> Includes \$24 million of nonperforming loans held for sale.

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

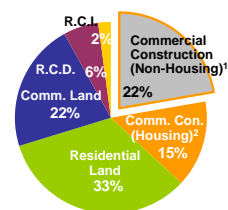
<sup>3</sup> Excludes \$75 million of loan loss reserve assigned to renegotiated loans.



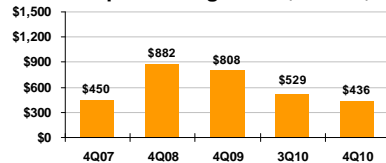
## Shrinking stressed C&D portfolio

- C&D loans of \$3.2 billion (8.7% of total loans)
- C&D nonperforming loans of \$436 million (28% of total NPLs)
- Aggressively shrinking C&D portfolio
  - Currently 9% of total loans vs. 23% in 3Q07
  - C&D loans have decreased \$7.2 billion or 69% vs. 1Q08
  - Targeting below 10% of total loans
  - Further contraction expected

Loans: \$3.2 billion



Nonperforming loans (\$ Millions)

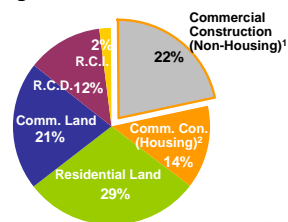


<sup>1</sup> Includes commercial & industrial and agricultural real estate C&D loans.

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

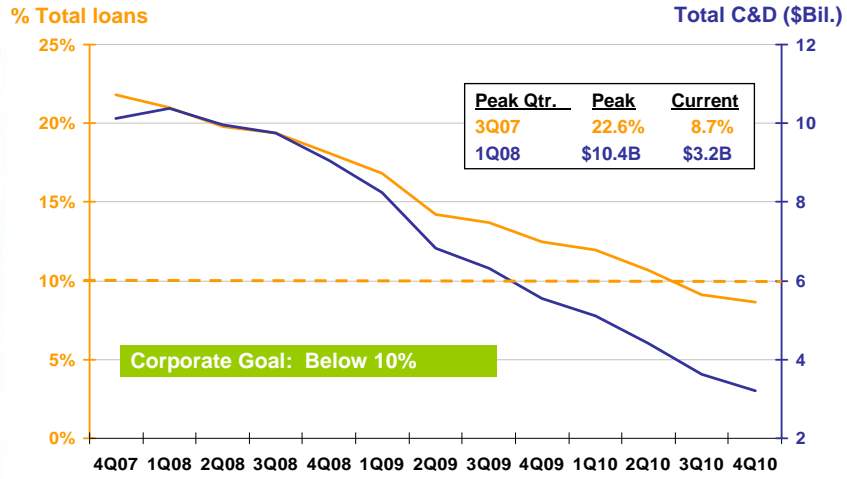
Some time periods excluded for illustrative purposes.

Nonperforming: \$436 million or 13.6% loans





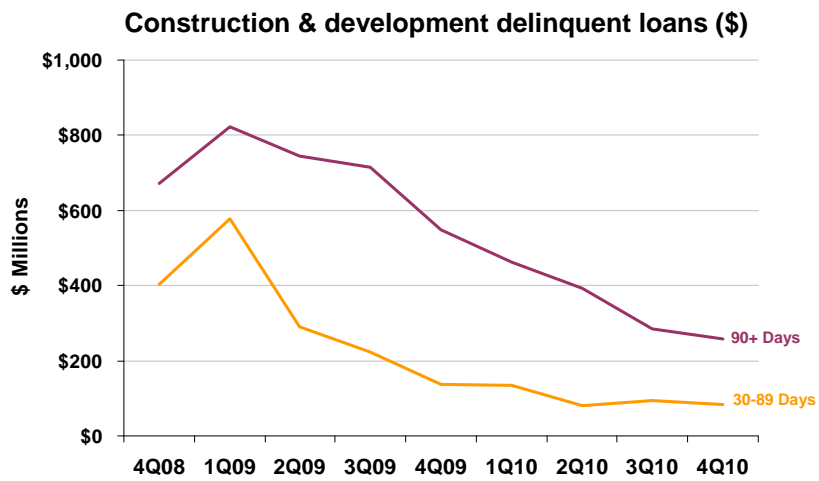
## Reducing exposure to C&D loans



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



## C&D delinquency trends

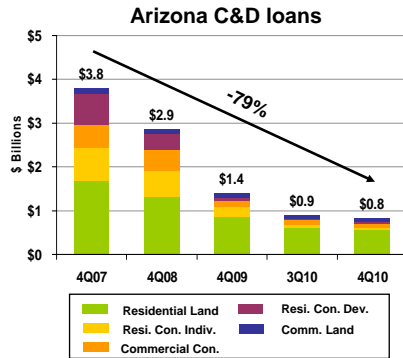


30-89 days delinquent include accruing loans only.



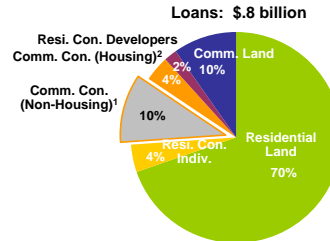
## Arizona total C&D loans down 79%

- Aggressively shrinking Arizona portfolio
  - Total C&D loans have decreased by \$3.0 billion or 79% since 4Q07

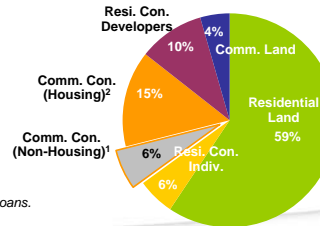


Note: Geography based on property zip code. Some time periods excluded for illustrative purposes.  
<sup>1</sup> Includes commercial & industrial and agricultural real estate C&D loans.  
<sup>2</sup> Includes land and residential property loans.

December 31, 2010

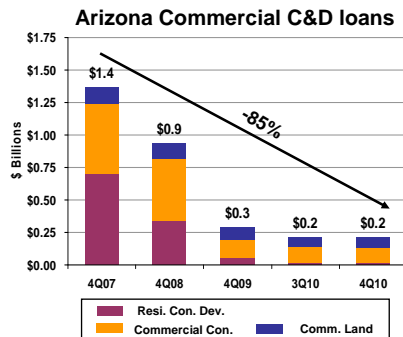


Nonperforming: \$80 million or 9.8% loans



## Arizona commercial C&D loans down 85%

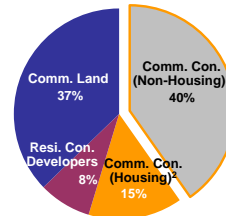
- Aggressively shrinking Arizona portfolio
  - Commercial C&D loans have decreased by \$1.2 billion or 85% since 4Q07



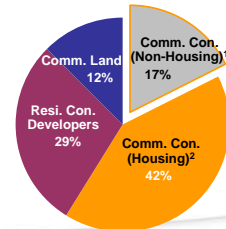
Note: Geography based on property zip code. Some time periods excluded for illustrative purposes.  
<sup>1</sup> Includes commercial & industrial and agricultural real estate C&D loans.  
<sup>2</sup> Includes land and residential property loans.

December 31, 2010

Loans: \$212 million



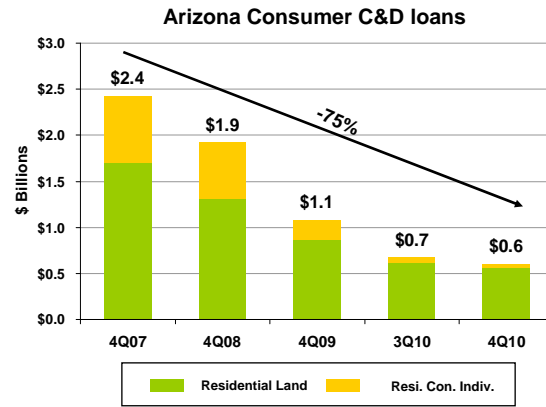
Nonperforming: \$28 million or 13.3% loans





## Arizona consumer C&D loans down 75%

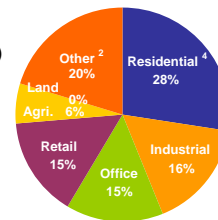
- Aggressively shrinking Arizona portfolio
  - Consumer C&D loans have decreased by \$1.8 billion or 75% since 4Q07
  - Nonperforming: \$52M or 8.6% loans



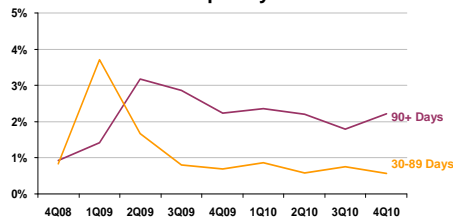
## Commercial real estate<sup>1</sup> portfolio

- CRE loans of \$12 billion (34% of total loans)
- **40% of business real estate loans are owner occupied**
- CRE nonperforming loans of \$573 million (37% of total NPLs)
  - Approx. 4.6% of total CRE loans
- 52% of NPL's are less than 90 days past due

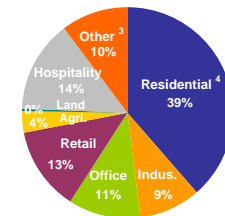
Loans: \$12 billion



CRE delinquency trends



Nonperforming: \$573 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% (11%).

<sup>3</sup> Other category includes other <4% (10%).

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

30-89 days delinquent include accruing loans only.

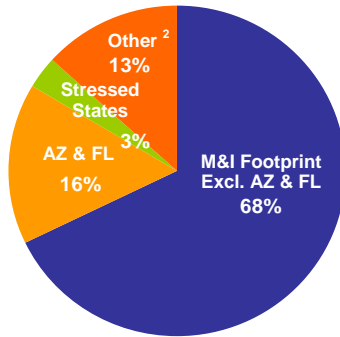




## Business real estate loans

Loans outstanding at December 31, 2010: \$8.3 billion

By state<sup>1</sup>



	\$ Millions		
	Total Loans	NPL's	NPL %
Wisconsin	\$3,106	\$76	2.4 %
Minnesota	1,217	43	3.6
Missouri	782	29	3.7
Kansas	184	4	2.4
Indiana	395	10	2.6
<b>Total M&amp;I Footprint States Excl. AZ &amp; FL</b>	<b>5,683</b>	<b>163</b>	<b>2.9</b>
Arizona	718	30	4.2
Florida	613	50	8.2
<b>Total AZ &amp; FL</b>	<b>1,331</b>	<b>81</b>	<b>6.1</b>
<b>Economically Stressed States<sup>3</sup></b>	<b>238</b>	<b>22</b>	<b>9.1</b>
<b>Remaining States</b>	<b>1,085</b>	<b>80</b>	<b>7.4</b>
<b>Total Business Real Estate</b>	<b>\$8,337</b>	<b>\$345</b>	<b>4.1 %</b>

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

<sup>2</sup> Other includes IL (5%) and other states <2% (8%).

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

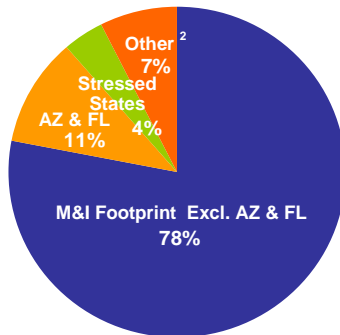
Totals may not foot due to rounding.



## Multifamily loans

Loans outstanding at December 31, 2010: \$3.3 billion

By state<sup>1</sup>



	\$ Millions		
	Total Loans	NPL's	NPL %
Wisconsin	\$1,906	\$48	2.5 %
Minnesota	307	19	6.1
Missouri	187	10	5.5
Kansas	44	12	26.8
Indiana	144	2	1.6
<b>Total M&amp;I Footprint States Excl. AZ &amp; FL</b>	<b>2,589</b>	<b>92</b>	<b>3.5</b>
Arizona	152	12	7.8
Florida	203	23	11.3
<b>Total AZ &amp; FL</b>	<b>354</b>	<b>35</b>	<b>9.8</b>
<b>Economically Stressed States<sup>3</sup></b>	<b>130</b>	<b>58</b>	<b>44.9</b>
<b>Remaining States</b>	<b>253</b>	<b>23</b>	<b>9.0</b>
<b>Total Multi-Family Loans</b>	<b>\$3,326</b>	<b>\$208</b>	<b>6.2 %</b>

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

<sup>2</sup> Other includes IL (4%) and other states <2% (3%).

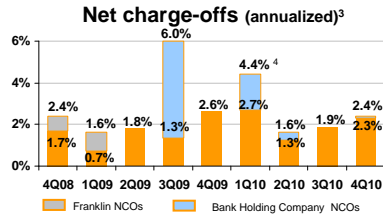
<sup>3</sup> Includes OH, MI, CA, GA, NV & NY.

Totals may not foot due to rounding.



## Commercial & industrial loans

- C&I loans of \$12 billion (31% of total loans)
- C&I nonperforming loans of \$190 million (12% of total NPLs)

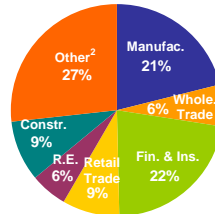


<sup>1</sup> Other category includes Professional (5%), Ag. Forestry Fishing Hunting (5%), Transportation & Warehousing (4%), Management Companies (3%), Health Care (3%) and other < 3% (11%).  
<sup>2</sup> Other category includes Professional (7%), Management Companies (4%), Hospitality (4%) and other < 3% (12%).  
<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.

Loans: \$12 billion

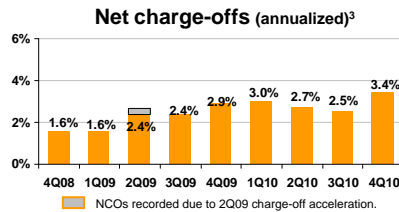


Nonperforming: \$190 million or 1.6% loans



## Home equity lines / loans

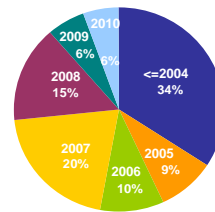
- Home equity lines / loans of \$4.2 billion (11% of total loans)
  - 60% lines and 40% loans
  - 45% secured by first mortgage
  - 61% HELOC drawn
- Home equity nonperforming lines / loans of \$88 million (6% of total NPLs)
- 2.1% in nonperforming status



<sup>1</sup> Geography based on property zip code.  
<sup>2</sup> Other geography includes Missouri (5%), Florida (4%), Illinois (4%), and states < 3% (25%).  
<sup>3</sup> Based on end of period loan balance.

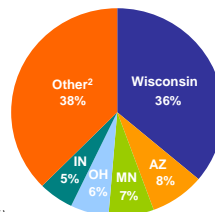
By vintage

(Sold majority of 2005 & 2006 originations)



By geography<sup>1</sup>

(Low Arizona exposure)

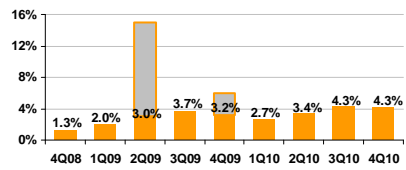




## Residential real estate loans

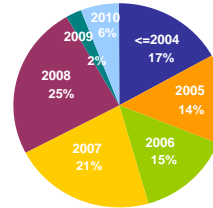
- RRE loans of \$4 billion (12% of total loans)
  - Predominantly prime with no option ARMS or subprime
- RRE nonperforming loans of \$274 million (17% of total NPLs)
- 6.3% NPL ratio
- 3.2% NPL ratio for M&I footprint states excluding AZ & FL<sup>1</sup>
- Arizona has realized the most deterioration
  - 10.6% in nonperforming status

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

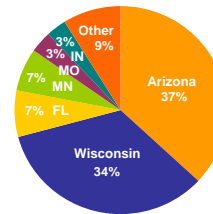


■ NCOs recorded due to 2Q09 charge-off acceleration and impact of loan sales completed on 7/31/09 and in 4Q09.

### By vintage



### By geography<sup>3</sup>



<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.

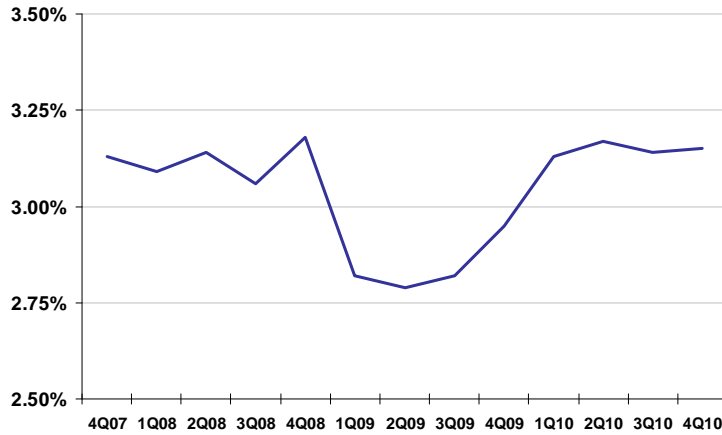


## Appendix A

### Business Overview



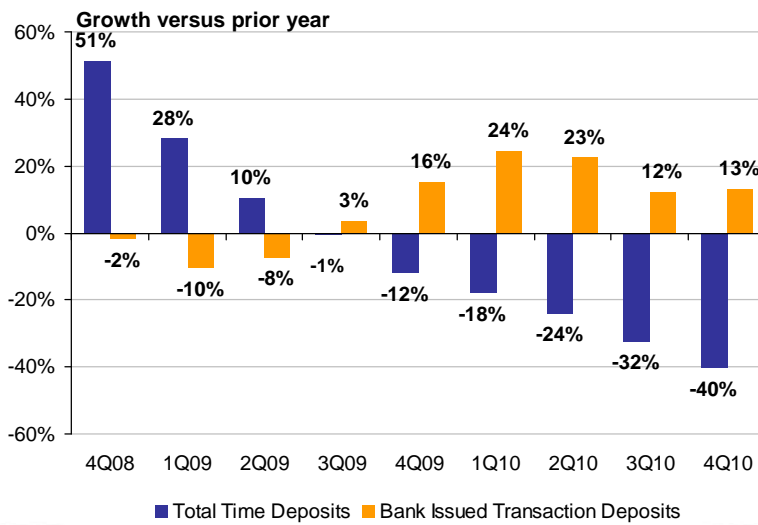
## Net interest margin



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



## Deposit trends



Time deposits include bank issued time and wholesale time deposits.

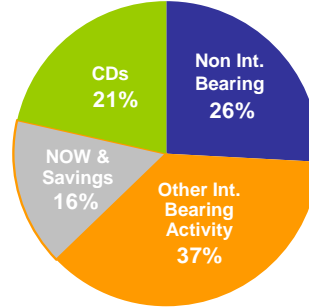
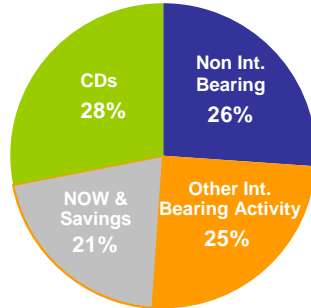
Growth based on quarter to date averages.

## Reduced reliance on CDs

### Bank-issued Deposits

4Q09: \$30.7 billion

4Q10: \$31.6 billion

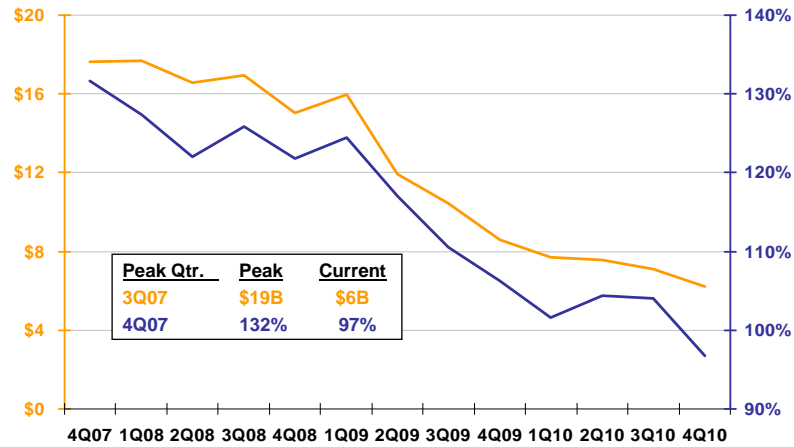


CDs peaked at 35% of bank-issued deposits in 1Q09

## Lower borrowings

Wholesale funding \$B<sup>1</sup>

Loan to deposit ratio



<sup>1</sup>Borrowings & other liabilities.  
All data based on period end balances.



## Appendix B

*Loan portfolio summary*

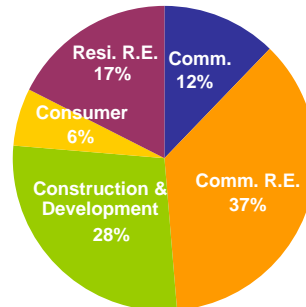
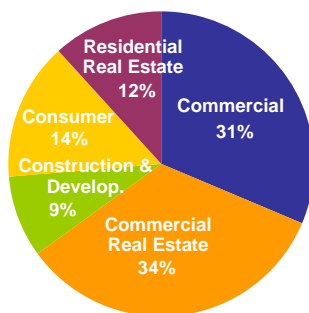


## Total loans by asset class

December 31, 2010

Loans: \$37.0 billion

Nonperforming: \$1,568 million or 4.24% loans



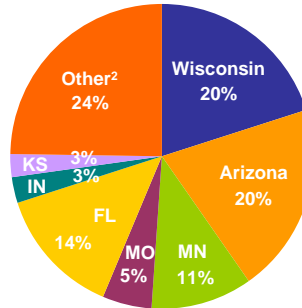
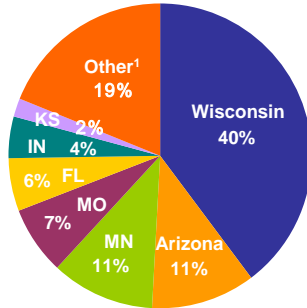


## Total loans by property zip code

December 31, 2010

Loans: \$37.0 billion

Nonperforming: \$1,568 million or 4.24% loans



<sup>1</sup> Other category includes Illinois (5%) and states < 2% (14%).

<sup>2</sup> Other category includes Illinois (8%) & California (4%) and states < 3% (12%).

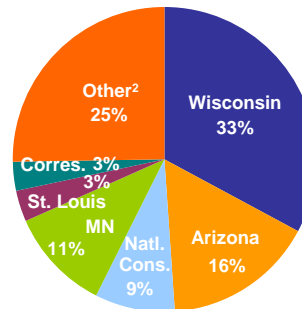
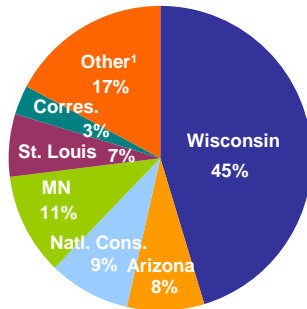


## Total loans by M&I business unit

December 31, 2010

Loans: \$37.0 billion

Nonperforming: \$1,568 million or 4.24% loans



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

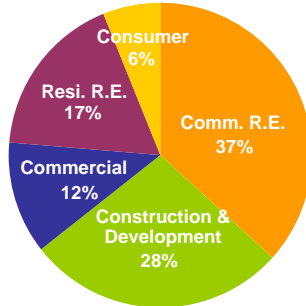
<sup>2</sup> Other category includes Kansas City (10%), Florida (10%), Indiana (3%), and Private Banking (2%).



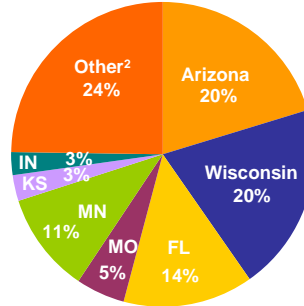
## Total nonperforming loans

Nonperforming loans at December 31, 2010: \$1,568 million

By loan category



By state<sup>1</sup>



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

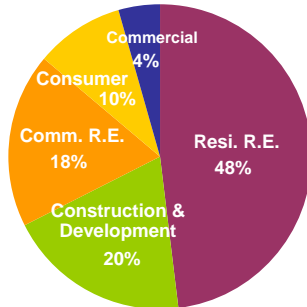
<sup>2</sup> Other category includes Illinois (8%) & California (4%) and states < 3% (12%).



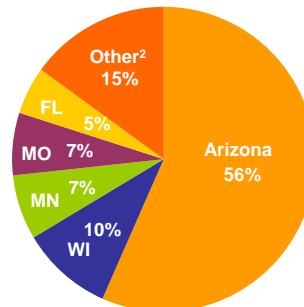
## Total renegotiated loans

Renegotiated loans at December 31, 2010: \$548 million

By loan category



By state<sup>1</sup>



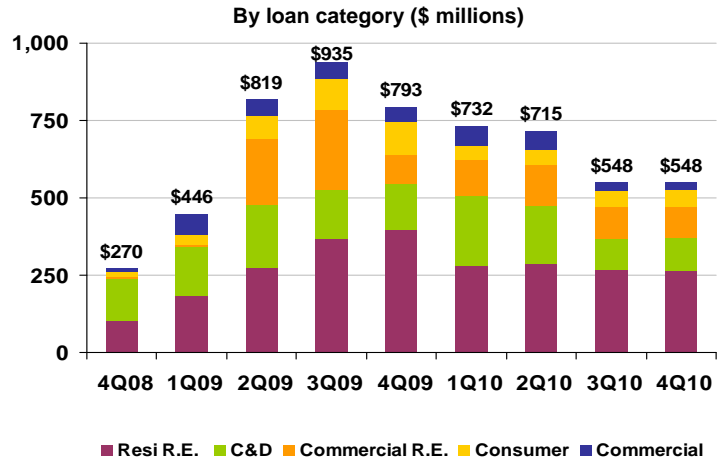
<sup>1</sup> Geography based on property zip code.

<sup>2</sup> Other category includes Texas (5%) & states < 2% (10%).





## Total renegotiated loans

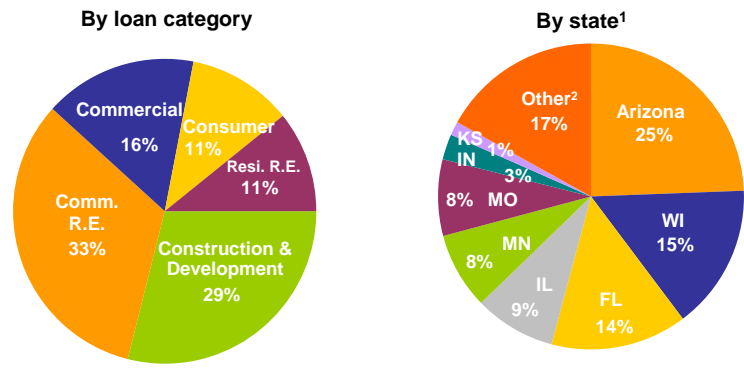


Based on period end balances.



## Total net charge-offs

Net charge-offs for 2010 fourth quarter: \$430 million



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

<sup>2</sup> Other category includes California 6% & states < 3% (11%).



## Appendix C

*Construction & development loans (C&D)*

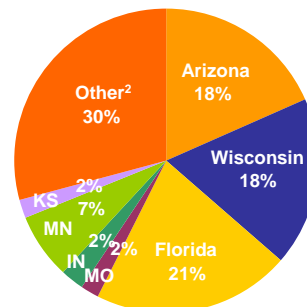
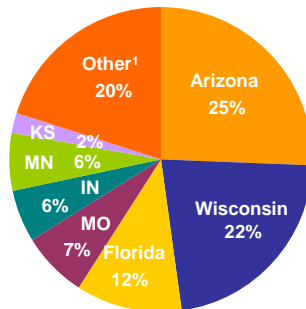


## C&D loans by property zip code

December 31, 2010

Loans: \$3.2 billion  
(peak \$10.4 billion 1Q08)

Nonperforming: \$436 million or 13.6% loans



<sup>1</sup> Other category includes Illinois (5%) and states < 4% (15%).

<sup>2</sup> Other category includes Illinois (12%) Arkansas (8%), and states < 4% (10%).

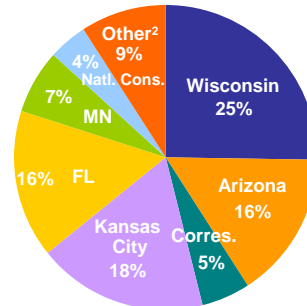
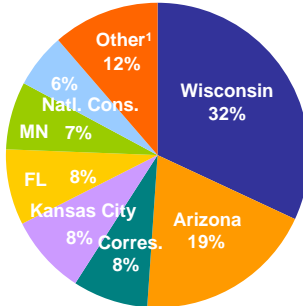


## C&D loans by M&I business unit

December 31, 2010

Loans: \$3.2 billion  
(peak \$10.4 billion 1Q08)

Nonperforming: \$436 million or 13.6% loans



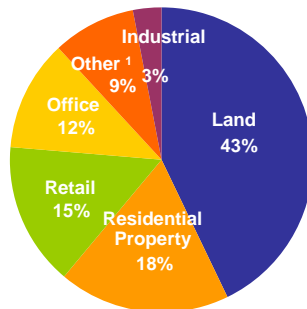
<sup>1</sup> Other category includes Indiana (7%), St. Louis (4%) and Private Banking (1%).  
<sup>2</sup> Other category includes Indiana (6%), St. Louis (1%) and Private Banking (2%).



## Commercial land & construction loans

Loans outstanding at December 31, 2010: \$1.9 billion

By loan property type



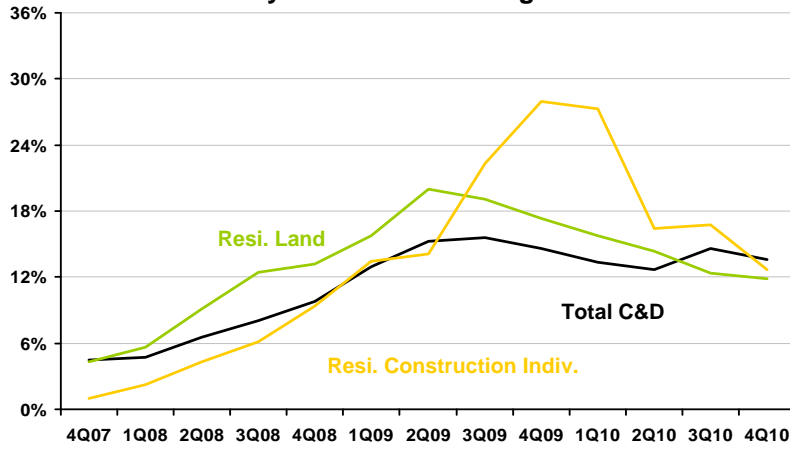
Property Type	Comm. Land & Construction Loans		
	\$ Millions	% Total	NPL %
<b>Commercial &amp; Industrial</b>			
Industrial	\$56	3	6.2 %
Retail	283	15	25.0
Office	221	12	5.1
Other <sup>1</sup>	164	9	7.2
<b>Total C&amp;I</b>	<b>\$724</b>	<b>39</b>	<b>13.4</b>
Land	799	43	15.7
Residential Property	347	18	6.4
Agricultural Real Estate	1	0	0.0
Other	0	0	N/A
<b>Total</b>	<b>\$1,871</b>	<b>100</b>	<b>13.1 %</b>

<sup>1</sup> Other category includes Hospitality (3%), Medical (3%), and other < 2% (3%).  
Totals may not foot due to rounding.



## C&D nonperforming loans

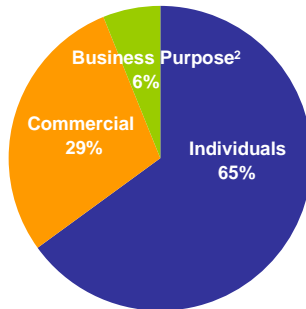
### Nonperforming loans / Period-end loans by selected loan categories



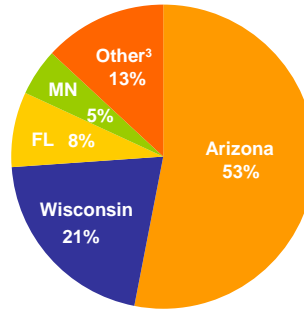
## Total residential land loans

Loans outstanding at December 31, 2010: \$1.1 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%).

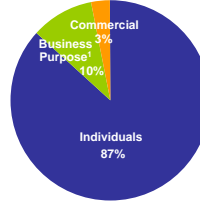


# Arizona residential land loans

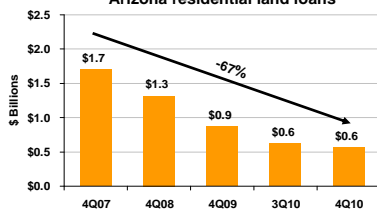
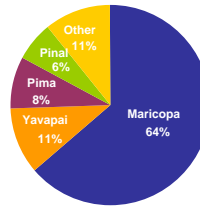
## Key Statistics at December 31, 2010

- Total loans outstanding: \$568 million
- Total nonperforming loans: \$48 million or 8.4%
- Loans to individuals
  - Loans outstanding: \$492 million
  - Updated FICO on performing loans: 726
  - Average loan size: \$156 thousand
  - Nonperforming loans: \$36 million or 7.4%
- Loans to individuals (Maricopa County)
  - Loans outstanding: \$312 million
  - Average loan size: \$195 thousand
  - Nonperforming loans: \$26 million or 8.3%

## By customer type



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



Some time periods excluded for illustrative purposes.

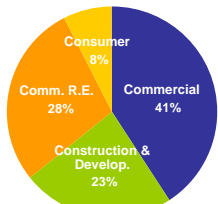
<sup>1</sup> Loans to mid-sized local and regional builders to acquire and develop land for 1-4 family homes. <sup>2</sup> Geography based on property zip code.



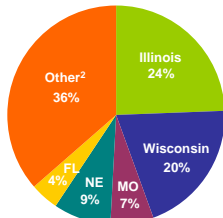
# Correspondent banking loans

Total loans: \$1.1 billion

## By loan category

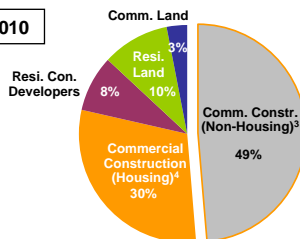


## By state<sup>1</sup>

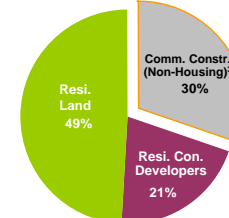


December 31, 2010

C&D loans: \$265 million



C&D nonperforming: \$23 million or 8.7% loans



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

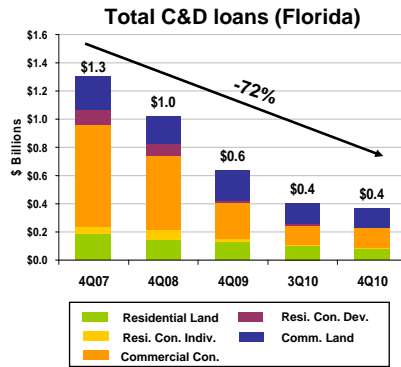
<sup>2</sup> Other category includes Texas (5%), Utah (5%) and states < 5% (26%).

<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 72%

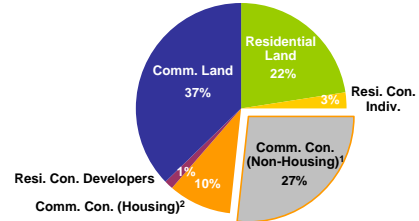
- Aggressively shrinking Florida portfolio
  - Total C&D loans have decreased by \$0.9 billion or 72% since 4Q07



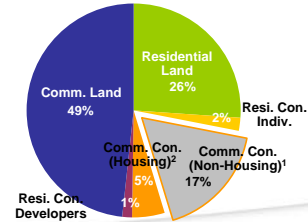
Note: Geography based on property zip code.  
Some time periods excluded for illustrative purposes.  
<sup>1</sup> Includes commercial & industrial and agricultural real estate C&D loans.  
<sup>2</sup> Includes land and residential property loans.

December 31, 2010

Loans: \$368 million



Nonperforming: \$93 million or 25.3% 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

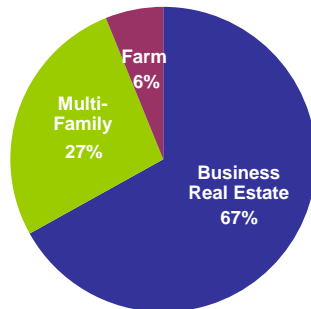
### Commercial real estate loans (CRE)



## Total commercial real estate loans

Loans outstanding at December 31, 2010: \$12.4 billion

### By loan category



Property Type	Total Commercial Real Estate Loans		
	\$ Millions	% Total	NPL %
Commercial & Industrial			
Industrial	\$2,029	16	2.6 %
Retail	1,873	15	3.9
Office	1,814	15	3.5
Other <sup>1</sup>	2,480	20	5.6
<b>Total C&amp;I<sup>2</sup></b>	<b>\$8,197</b>	<b>66</b>	<b>4.0</b>
Land	14	0	9.6
Residential Property	3,419	28	6.5
Agricultural Real Estate	749	6	2.7
Other	23	0	N/A
<b>Total</b>	<b>\$12,401</b>	<b>100</b>	<b>4.6 %</b>

<sup>1</sup> Other category includes Hospitality (5%), Medical (4%), and other < 3% (11%).

<sup>2</sup> Geographic distribution is Wisconsin (37%), Minnesota (15%), Missouri (10%), Arizona (9%), Florida (7%), Illinois (5%), Indiana (5%), Kansas (2%), and other states <2% (10%).

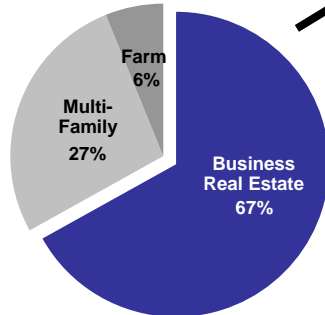
Totals may not foot due to rounding.



## Business real estate loans

Loans outstanding at December 31, 2010: \$8.3 billion

By loan category



Property Type	Business Real Estate Loans		
	\$ Millions	% Total	NPL %
Commercial & Industrial			
Industrial	\$2,027	24	2.6 %
Retail	1,872	22	3.9
Office	1,795	22	3.6
Other <sup>1</sup>	2,446	29	5.7
<b>Total C&amp;I</b>	<b>\$8,140</b>	<b>98</b>	<b>4.0</b>
Land	10	0	5.3
Residential Property	135	2	11.0
Agricultural Real Estate	44	1	1.3
Other	9	0	N/A
<b>Total</b>	<b>\$8,337</b>	<b>100</b>	<b>4.1 %</b>

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



## Appendix E

*Supplemental financial information*





## Loan portfolio statistics

<b>Total Loans</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>	<b>4Q10</b>
Period-end loans (\$ millions)	49,984.5	49,244.7	48,183.1	46,106.3	44,217.6	42,648.8	41,317.5	39,723.1	36,999.4
% 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>	891.2	1,477.0	890.3	666.1	539.1	533.6	457.3	507.2	431.4
30-89 day delinquency %	1.78%	3.00%	1.85%	1.44%	1.22%	1.25%	1.11%	1.28%	1.17%
Nonaccrual loans (\$ millions)	1,527.0	2,074.6	2,416.1	2,250.1	2,044.8	1,953.8	1,801.4	1,597.6	1,567.7
Nonaccrual loans %	3.05%	4.21%	5.01%	4.88%	4.62%	4.58%	4.36%	4.02%	4.24%
Net charge-offs (\$ millions)	679.8	328.0	603.3	532.7	572.3	423.4	438.3	560.3	429.7
Net charge-offs % (qtr annualized)	5.38%	2.67%	4.95%	4.48%	5.01%	3.94%	4.17%	5.47%	4.40%

<b>Commercial Loans &amp; Leases</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>	<b>4Q10</b>
Period-end loans (\$ millions)	15,441.7	15,107.8	14,792.4	13,532.9	12,949.9	12,315.5	12,246.9	11,953.6	11,623.4
% Total loans	30.9%	30.7%	30.7%	29.4%	29.3%	28.9%	29.6%	30.1%	31.4%
30-89 day delinquency (\$ millions) <sup>1</sup>	51.4	68.4	79.4	53.8	30.5	43.3	33.8	25.7	30.6
30-89 day delinquency %	0.33%	0.45%	0.54%	0.40%	0.24%	0.35%	0.28%	0.21%	0.26%
Nonaccrual loans (\$ millions)	168.5	336.4	431.7	411.1	350.5	252.7	246.0	232.0	190.3
Nonaccrual loans %	1.09%	2.23%	2.92%	3.04%	2.71%	2.05%	2.01%	1.94%	1.64%
Net charge-offs (\$ millions)	93.9	60.7	66.8	205.5	86.0	134.1	49.3	56.3	70.9
Net charge-offs % (qtr annualized) <sup>2</sup>	2.42%	1.63%	1.81%	6.02%	2.64%	4.42%	1.61%	1.87%	2.42%

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

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



## Loan portfolio statistics

<b>Total Commercial Real Estate Loans<sup>1</sup></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>	<b>4Q10</b>
Period-end loans (\$ millions)	12,541.5	12,998.9	13,938.3	13,884.3	13,645.9	13,532.0	13,310.5	13,057.2	12,401.3
% Total loans	25.1%	26.4%	28.9%	30.1%	30.9%	31.7%	32.2%	32.9%	33.5%
30-89 day delinquency (\$ millions) <sup>3</sup>	104.7	482.2	231.2	111.4	94.0	116.2	76.8	99.1	70.0
30-89 day delinquency %	0.83%	3.71%	1.66%	0.80%	0.69%	0.86%	0.58%	0.76%	0.56%
Nonaccrual loans (\$ millions)	178.3	286.6	559.2	509.6	584.9	657.1	655.7	482.9	572.8
Nonaccrual loans %	1.42%	2.20%	4.01%	3.67%	4.29%	4.86%	4.93%	3.70%	4.62%
Net charge-offs (\$ millions)	72.1	34.0	55.3	69.6	78.4	53.4	98.8	284.8	141.2
Net charge-offs % (qtr annualized) <sup>4</sup>	2.29%	1.06%	1.59%	1.99%	2.28%	1.60%	2.98%	8.65%	4.52%

<b>Residential Real Estate Loans<sup>2</sup></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>	<b>4Q10</b>
Period-end loans (\$ millions)	5,733.9	5,711.0	5,464.6	5,135.2	4,968.9	4,823.8	4,625.0	4,578.8	4,341.3
% Total loans	11.5%	11.6%	11.3%	11.1%	11.2%	11.3%	11.2%	11.5%	11.7%
30-89 day delinquency (\$ millions) <sup>3</sup>	229.7	250.9	194.6	178.2	188.0	159.9	172.0	191.6	164.1
30-89 day delinquency %	4.01%	4.39%	3.56%	3.47%	3.78%	3.31%	3.72%	4.19%	3.78%
Nonaccrual loans (\$ millions)	221.8	291.9	285.7	236.8	206.1	269.6	252.3	261.1	273.8
Nonaccrual loans %	3.87%	5.11%	5.23%	4.61%	4.15%	5.59%	5.45%	5.70%	6.31%
Net charge-offs (\$ millions)	18.9	27.8	204.5	47.2	75.3	32.4	39.0	49.8	46.5
Net charge-offs % (qtr annualized) <sup>4</sup>	1.31%	1.97%	15.01%	3.65%	6.01%	2.73%	3.38%	4.32%	4.25%

<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

<b>Total Construction and Development Loans<sup>1</sup></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>	<b>4Q10</b>
Period-end loans (\$ millions)	9,043.3	8,251.4	6,829.3	6,314.2	5,538.9	5,105.6	4,418.5	3,616.9	3,201.7
% Total loans	18.1%	16.8%	14.2%	13.7%	12.5%	12.0%	10.7%	9.1%	8.7%
30-89 day delinquency (\$ millions) <sup>2</sup>	402.9	578.1	289.8	222.1	136.7	135.0	81.6	95.4	83.3
30-89 day delinquency %	4.46%	7.01%	4.24%	3.52%	2.47%	2.64%	1.85%	2.64%	2.60%
Nonaccrual loans (\$ millions)	882.0	1,070.6	1,043.4	984.5	807.5	681.5	561.0	528.6	435.8
Nonaccrual loans %	9.75%	12.97%	15.28%	15.59%	14.58%	13.35%	12.70%	14.61%	13.61%
Net charge-offs (\$ millions)	461.7	176.4	235.3	171.5	270.3	159.7	207.5	132.6	123.7
Net charge-offs % (qtr annualized) <sup>3</sup>	20.31%	8.67%	13.82%	10.77%	19.36%	12.68%	18.84%	14.54%	15.33%

<b>Home Equity Loans &amp; Lines</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>	<b>4Q10</b>
Period-end loans (\$ millions)	5,082.0	5,025.1	4,911.5	4,812.6	4,714.6	4,590.1	4,487.4	4,366.7	4,212.8
% Total loans	10.2%	10.2%	10.2%	10.4%	10.7%	10.8%	10.9%	11.0%	11.4%
30-89 day delinquency (\$ millions) <sup>2</sup>	92.0	81.9	86.3	85.3	70.5	67.3	83.1	84.9	76.7
30-89 day delinquency %	1.81%	1.63%	1.76%	1.77%	1.50%	1.47%	1.85%	1.94%	1.82%
Nonaccrual loans (\$ millions)	67.3	83.5	86.4	94.5	84.9	80.0	77.0	84.5	88.2
Nonaccrual loans %	1.32%	1.66%	1.76%	1.96%	1.80%	1.74%	1.72%	1.93%	2.09%
Net charge-offs (\$ millions)	20.4	19.4	33.4	29.2	34.6	34.1	30.3	27.9	36.4
Net charge-offs % (qtr annualized) <sup>3</sup>	1.59%	1.56%	2.73%	2.40%	2.91%	3.02%	2.71%	2.54%	3.43%

<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			
	4th Qtr	% Total	3rd Qtr	% Total	2nd Qtr	% Total	1st Qtr	% Total	4th Qtr	% Total
Coverage Ratio Components										
Reserve for Loans & Lease Losses	\$1,388	100%	\$1,388	100%	\$1,517	100%	\$1,515	100%	\$1,481	100%
Less Reserve for Specifically Analyzed Nonperforming Loans (1)	86	6%	155	11%	234	15%	228	15%	262	18%
Less Reserve for Renegotiated Loans	75	5%	90	6%	133	9%	132	9%	121	8%
Adjusted Reserve for Loans & Lease Losses	\$1,227	88%	\$1,143	82%	\$1,150	76%	\$1,155	76%	\$1,098	74%
Total Nonperforming Loans & Leases	\$1,568	100%	\$1,598	100%	\$1,801	100%	\$1,954	100%	\$2,045	100%
Less Specifically Analyzed Nonperforming Loans	1,039	66%	1,064	67%	1,235	69%	1,321	68%	1,417	69%
Adjusted Total Nonperforming Loans & Leases	\$529	34%	\$534	33%	\$566	31%	\$633	32%	\$628	31%
<b>Coverage Ratio</b>										
Reserve for Loans & Lease Losses / Total Nonperforming Loans & Leases (Excluding Held for Sale)	90%		89%		88%		80%		75%	
Adjusted Reserve for Loans & Lease Losses / Adjusted Total Nonperforming Loans & Leases (Including Held for Sale)	232%		214%		203%		182%		175%	

(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**

	3 Months	3 Months	3 Months	3 Months	3 Months	Full Year				
	Ended	Ended	Ended	Ended	Ended	2010	2009	2008	2007	2006
	12/31/10	09/30/10	06/30/10	03/31/10	12/31/09					
<b>Reconciliation - Millions \$</b>										
Adjusted Pre-Tax Pre-Provision										
Income from Continuing Operations	\$225.9	\$185.0	\$187.9	\$259.1	\$234.7	\$858.0	\$918.8	\$1,069.8	\$1,030.4	\$1,005.7
Goodwill Impairment	-	-	-	-	-	-	-	(1,535.1)	-	-
Pre-Tax Provision for Loan & Lease Losses	(429.1)	(431.7)	(439.9)	(458.1)	(639.0)	(1,758.9)	(2,314.6)	(2,037.7)	(319.8)	(50.6)
Total Adjustments	(429.1)	(431.7)	(439.9)	(458.1)	(639.0)	(1,758.9)	(2,314.6)	(3,572.8)	(319.8)	(50.6)
Pre-Tax Income (Loss)	(203.2)	(246.7)	(252.0)	(199.0)	(404.3)	(900.9)	(1,395.8)	(2,503.0)	710.6	955.1
Provision (Benefit) for Income Taxes	(95.1)	(102.8)	(103.4)	(83.6)	(170.0)	(385.0)	(637.2)	(459.5)	213.7	307.4
Income (Loss) from Continuing Operations	(108.1)	(143.9)	(148.6)	(115.4)	(234.3)	(515.9)	(758.6)	(2,043.5)	496.9	647.7
Discontinued Operations, net of tax:										
Separation Transaction Costs	-	-	-	-	-	-	-	-	(25.3)	-
Gain on Sale of Metawire	-	-	-	-	-	-	-	-	525.6	-
Metawire Net Income	-	-	-	-	-	-	-	-	153.7	160.1
Net Income (Loss) Attributable to M&I	(108.1)	(143.9)	(148.6)	(115.4)	(234.3)	(515.9)	(758.6)	(2,043.5)	1,150.9	807.8
Preferred Dividends	(25.3)	(25.3)	(25.2)	(25.1)	(25.2)	(101.0)	(100.2)	(12.7)	-	-
Net Income (Loss) Avail. to Common Shareholders	(\$133.4)	(\$169.2)	(\$173.8)	(\$140.5)	(\$259.5)	(\$3616.9)	(\$858.8)	(\$2,056.2)	\$1,150.9	\$807.8