Marshall & Ilsley Corporation
770 North Water Street
Milwaukee, WI 53202
414 765-7700
micorp.com

July 26, 2010

Dear Fellow Shareholder,

On July 20, 2010, Marshall & Ilsley Corporation announced a loss of $0.33 per share for the second quarter of 2010. Our core loss this quarter is in line with the prior quarter and substantially less than the second quarter last year. It is important to note that our reported results for the first quarter of this year included a $48 million pre-tax gain from our merchant processing sale.

Our second quarter results provide us with continued confidence that a recovery is under way at M&I. Our credit quality trends continue to benefit from our aggressive approach to non-performing loan identification and resolution, as demonstrated by:

- Continued improvement in loans going into non-performing status, which reached our lowest level since the first quarter of 2008.
- Continued improvement in early-stage delinquencies, which decreased for the fifth consecutive quarter.
- Continued improvement in total non-performing loans, which decreased for the fourth consecutive quarter. Nonperforming loans and leases were 4.36 percent of total loans and leases at June 30, 2010, and are down 25 percent since June 30, 2009, the quarter-end when reported nonperforming loans peaked.
- Loan loss provision is down approximately 25 percent in comparison to last year's quarterly average and net charge-offs are down 15 percent.

In addition, we continue to make progress reducing our concentration of construction and development loans to be under 10 percent of the total portfolio. Overall, we expect these improving trends in credit quality will continue in future quarters.

Today the construction and development exposure is less than 10.7 percent of total loans compared to nearly 23 percent at its high. We also continue to maintain a strong capital base, with a tangible common equity ratio of 8.3 percent and an estimated Tier 1 risk-based capital ratio of 10.9 percent.

Core earnings trends continue to be strong:

- The Corporation's net interest income (FTE) was $407 million for the second quarter of 2010, up $9 million or 2 percent compared to the second quarter of last year.
- M&I's net interest margin was up significantly to 3.17 percent in the second quarter, a 14 percent increase over the second quarter of 2009, reflecting continued success in improving our funding and lending profiles.
- Average deposits increased by $1.3 billion compared to the second quarter of 2009. M&I's Premier Money Market account alone has generated more than $1 billion in new deposits since its launch in May.

On Wednesday, July 21, 2010, President Obama signed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act, financial reform legislation that creates a new regulatory structure for financial institutions, establishes more stringent prudential regulatory standards, establishes new operating restrictions, and increases regulatory costs. The impact of this historic legislation on the financial services industry will be far-reaching and significant; however, it will be some time before we know the full extent to which it will affect M&I.

While this is still a very challenging economic cycle, we believe the positive trends we continue to see are evidence that M&I is making progress toward its goal of returning to profitability.

Sincerely,

Mark F. Furlong	Dennis J. Kuester
President and CEO	Chairman