

MARSHALL & ILSLEY CORP/WI/  
Form S-4  
March 27, 2007  
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As filed with the Securities and Exchange Commission on March 27, 2007

Registration No. 333-

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# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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## Form S-4

### REGISTRATION STATEMENT

*Under*

*THE SECURITIES ACT OF 1933*

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# MARSHALL & ILSLEY CORPORATION

(Exact name of Registrant as specified in its charter)

Wisconsin (State or other jurisdiction of incorporation or organization)	6021 (Primary Standard Industrial Classification Code Number) 770 North Water Street	39-0968604 (I.R.S. Employer Identification No.)
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Milwaukee, Wisconsin 53202

(414) 765-7801

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Dennis J. Kuester

Chief Executive Officer

Marshall & Ilsley Corporation

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770 North Water Street

Milwaukee, Wisconsin 53202

(414) 765-7801

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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*Copies of communications to:*

<b>Christopher B. Noyes</b>	<b>Randall J. Erickson</b>	<b>Lynn M. Gardin</b>
<b>Godfrey &amp; Kahn, S.C.</b>	<b>Senior Vice President and General</b>	<b>Fredrikson &amp; Byron, P.A.</b>
<b>780 North Water Street</b>	<b>Counsel</b>	<b>200 South Sixth Street</b>
<b>Milwaukee, Wisconsin 53202</b>	<b>Marshall &amp; Ilsley Corporation</b>	<b>Suite 4000</b>
	<b>770 North Water Street</b>	<b>Minneapolis, Minnesota 55402</b>
	<b>Milwaukee, Wisconsin 53202</b>	

**Approximate Date of Commencement of Proposed Sale to the Public:** As soon as practicable after this Registration Statement becomes effective and all conditions to the consummation of the merger described in this document have been met.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, please check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

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**CALCULATION OF REGISTRATION FEE**

<b>Title of each class of securities to be registered</b>	<b>Amount to be registered(1)</b>	<b>Proposed maximum offering price per unit</b>	<b>Proposed maximum aggregate offering price</b>	<b>Amount of registration fee(2)</b>
Common Stock, par value \$1.00 per share	867,232	N/A	\$ 40,755,547.48	\$ 1,251.20

(1) The number of shares of Common Stock, par value \$1.00 per share, of Marshall & Ilsley Corporation to be registered pursuant to this registration statement is based upon the number of shares of Common Stock, par value \$0.01 per share, of Excel Bank Corporation presently outstanding, multiplied by the maximum exchange ratio of 0.1198 of a share of Marshall & Ilsley Corporation Common Stock per share of Excel Bank Corporation Common Stock.

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- (2) Pursuant to Rule 457(f)(2) under the Securities Act of 1933, as amended, the registration fee is based on the book value of Excel Bank Corporation Common Stock as of February 28, 2007, computed based on the estimated maximum number of shares that may be exchanged for the Marshall & Ilsley Corporation Common Stock being registered.

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**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

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**The information in this proxy statement/prospectus is not complete and may be changed. Marshall & Ilsley may not issue the common stock to be issued in connection with the transaction described in this proxy statement/prospectus until the Registration Statement filed with the Securities and Exchange Commission is effective. This proxy statement/prospectus is neither an offer to sell these securities, nor a solicitation of offers to buy these securities, in any state where the offer or sale is not permitted. Any representation to the contrary is a criminal offense.**

**Subject to Completion, Dated March 27, 2007**

**Proxy Statement/Prospectus**

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**Proxy Statement for Excel Bank Corporation**

**Special Meeting**

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**Prospectus of Marshall & Ilsley Corporation**

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Dear Excel Bank Corporation Shareholder:

You are cordially invited to attend a special meeting of the shareholders of Excel Bank Corporation ( Excel ) to be held on [ ], 2007 at [ ], local time, at [ ].

At the special meeting, you will be asked to consider and vote upon a proposal to approve and adopt the Agreement and Plan of Merger that Excel entered into with Marshall & Ilsley Corporation ( Marshall & Ilsley ) and EBC Acquisition Corporation ( Merger Sub ) on February 9, 2007, which we refer to as the merger agreement. Under the merger agreement, Merger Sub will merge with and into Excel and Excel will become a wholly-owned subsidiary of Marshall & Ilsley. In the merger, each issued and outstanding share of Excel common stock, other than dissenting shares, will be converted into the right to receive \$9.08 in cash and a fraction of a share of Marshall & Ilsley common stock equal to \$4.89 divided by the average of the average high and low sale price of Marshall & Ilsley common stock on the NYSE during the ten trading days ending on and including the third trading day prior to the merger, which we refer to as the average trading price. We refer to such fraction of a share of Marshall & Ilsley common stock in this proxy statement/prospectus as the stock amount. The merger agreement provides that if the stock amount, as calculated based on the average trading price, is greater than 0.1198, the stock amount will be reduced to 0.1198, and if the stock amount is less than 0.0885, the stock amount will be increased to 0.0885.

The total number of shares of Marshall & Ilsley common stock that will be issued in the merger depends on the stock amount and the number of shares of Excel common stock outstanding. Based on 7,238,996 shares of Excel common stock outstanding on [ ], 2007, and assuming that the merger had been effective on that day, Marshall & Ilsley would have paid approximately [\$ ] in cash to Excel's shareholders and would have issued approximately [ ] shares of its common stock to Excel shareholders.

The affirmative vote of the holders of a majority of shares of Excel common stock entitled to vote is required to approve and adopt the merger agreement. The merger is also subject to certain other conditions, including regulatory approval.

The Board of Directors of Excel unanimously recommends that the holders of Excel common stock vote FOR approval of the merger agreement.

We urge you to read this proxy statement/prospectus carefully because it contains a detailed description of the merger and related matters. **In particular, for a description of certain significant considerations in connection with the merger and related matters described in this document, see Risk Factors beginning on page 12.**

Marshall & Ilsley common stock is traded on the New York Stock Exchange under the symbol MI. Excel common stock is not registered on a national securities exchange or quoted on the Nasdaq Stock Market.

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Whether or not you plan to attend the special meeting personally, please complete, sign and date the enclosed proxy card and IRS Form 8023 and mail them as soon as possible in the enclosed postage-paid envelope. If you attend the special meeting, you may vote in person if you wish, even if you have previously mailed in your proxy card. The IRS Form 8023 is a form prescribed by the Internal Revenue Service to treat the merger as an acquisition of assets by Marshall & Ilsley that must be signed by all of Excel's shareholders, as more fully described elsewhere in this proxy statement/prospectus. You should not send in the certificates for your shares of common stock until you receive specific instructions at a later date.

We thank you for your prompt attention to this matter and appreciate your support.

Sincerely,

Craig E. Bentsdahl

Chief Executive Officer

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**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offense.**

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The shares of Marshall & Ilsley common stock are not savings accounts, deposits or other obligations of any bank or savings association and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency. Stock is subject to investment risks, including loss of value.

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The date of this proxy statement/prospectus is [            ], 2007 and is being first mailed to Excel shareholders on or about [            ], 2007.

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This document incorporates by reference important business and financial information about Marshall & Ilsley and Excel that is not included in or delivered with this document. See "Where You Can Find More Information" beginning on page [    ] of the document for a list of documents that Marshall & Ilsley and Excel have incorporated by reference into this document. These documents are available to you without charge upon written or oral request made to:

Investor Relations	Craig E. Bentsdahl
Marshall & Ilsley Corporation	Chief Executive Officer
770 North Water Street	Excel Bank Corporation
Milwaukee, Wisconsin 53202	50 South Sixth Street
(414) 765-7797	Minneapolis, Minnesota 55402

**To obtain documents in time for the special meeting, your request should be received by [            ], 2007.**

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**Excel Bank Corporation**

**50 South Sixth Street**

**Minneapolis, Minnesota 55402**

**Notice of Special Meeting of Shareholders**

**To be held on [                      ], 2007**

To the Shareholders of Excel Bank Corporation:

Please take notice that the Board of Directors of Excel Bank Corporation ( Excel ) has called a special meeting of shareholders. The special meeting will be held at [                      ] on [                      ], 2007, at [                      ] [a.m/p.m.], local time.

The purposes of the meeting are the following:

1. To vote on a proposal to approve and adopt the Agreement and Plan of Merger dated as of February 9, 2007, by and among Marshall & Ilsley Corporation ( Marshall & Ilsley ), EBC Acquisition Corporation ( Merger Sub ) and Excel, including the plan of merger constituting a part thereof, and the merger of Merger Sub with and into Excel, pursuant to which Excel would become a wholly-owned subsidiary of Marshall & Ilsley, as contemplated by that agreement; and
2. To transact any other business that may properly come before the meeting and any adjournment or postponement thereof.

The Board of Directors has fixed the close of business on [                      ], 2007, as the record date for the determination of shareholders entitled to receive notice of and to vote at the special meeting and any postponements and adjournments thereof.

Holders of Excel common stock entitled to vote on the proposal to approve and adopt the merger agreement who do not vote in favor thereof and provide Excel a written notice of intent to demand fair value for their shares at or prior to the special meeting have the right to receive payment of the fair value of such holders' shares upon compliance with the provisions of Sections 302A.471 and 302A.473 of the Minnesota Business Corporation Act, which we refer to as the MBCA, the full text of which is included as Appendix D to the proxy statement/prospectus attached to this Notice of Special Meeting of Shareholders. For a summary of the dissenters' rights of Excel's shareholders, see The Merger Dissenters' Rights in the proxy statement/prospectus. Failure to comply strictly with the procedures set forth in Sections 302A.471 and 302A.473 of the MBCA will cause a shareholder to lose dissenters' rights.

A proxy card for the special meeting is enclosed. Whether or not you plan to attend the special meeting, please promptly complete and mail the enclosed proxy card. If you sign, date and mail your proxy card without indicating how you want to vote, your proxy will be voted in favor of the agreement and plan of merger and the plan of merger and the merger contemplated thereby. If you fail to return your proxy card, the effect will be the same as a vote against the agreement and plan of merger, the plan of merger and the merger contemplated thereby. You may still vote in person at the meeting even if you have previously returned your proxy card so long as you properly revoke your proxy.

Also enclosed is an IRS Form 8023 which you should promptly complete, sign and date and send back with your proxy card. As described more fully in the proxy statement/prospectus, the merger agreement requires Excel to deliver to Marshall & Ilsley fully executed copies of Form 8023 from each of its shareholders so that Marshall & Ilsley can elect to treat the merger as an acquisition of assets for tax purposes.

By order of the Board of Directors:

Excel Bank Corporation

By:

Craig E. Bentdahl  
*Chief Executive Officer*

[                      ], 2007

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**QUESTIONS AND ANSWERS ABOUT THIS DOCUMENT AND THE MERGER**

**Q. What is the purpose of this document?**

- A. This document serves as both a proxy statement of Excel Bank Corporation ( Excel ) and a prospectus of Marshall & Ilsley Corporation ( Marshall & Ilsley ). As a proxy statement, this document is being provided to you by Excel because the Board of Directors of Excel is soliciting your proxy for use at the special meeting of shareholders called to vote on the proposed merger of a wholly-owned subsidiary of Marshall & Ilsley with and into Excel, pursuant to which Excel would become a wholly-owned subsidiary of Marshall & Ilsley. When we use the term merger agreement in this document, we are referring, collectively, to the agreement and plan of merger, a copy of which is included in this document as Appendix A, and the plan of merger constituting a part thereof, a copy of which is included in this document as Appendix B.

As a prospectus, this document is being provided to you by Marshall & Ilsley because part of the consideration Marshall & Ilsley is offering in exchange for your shares of Excel common stock in connection with the merger is shares of its common stock.

**Q. What do I need to do now?**

- A. After reviewing this document, submit your proxy by promptly executing and returning the enclosed proxy card. By submitting your proxy, you authorize the individuals named in the proxy to represent you and to vote your shares at the special meeting of shareholders in accordance with your instructions. These persons also may vote your shares to adjourn the special meeting and will be authorized to vote your shares at any adjournments or postponements of the special meeting.

Your vote is important. Whether or not you plan to attend the special meeting, please promptly submit your proxy in the enclosed envelope.

You should also complete, sign and date the IRS Form 8023 that is included with this proxy statement/prospectus and return it with your proxy card.

**Q. How will my shares be voted if I return a blank proxy card?**

- A. If you sign, date and return your proxy card and do not indicate how you want to vote, your proxy will be counted as a vote in favor of the merger and the merger agreement and will be voted in the discretion of the persons named as proxies in any other matters properly presented for a vote at the special meeting.

**Q. What will be the effect if I do not vote?**

- A. If you abstain or do not return your proxy card or otherwise do not vote at the special meeting, your failure to vote will have the same effect as if you voted against the merger and the merger agreement. Therefore, the Board of Directors of Excel encourages you to vote in favor of the proposed merger and merger agreement as soon as possible.

**Q. Can I vote my shares in person?**

- A. Yes, if you own your shares registered in your own name, you may attend the special meeting and vote your shares in person rather than signing and mailing your proxy card. However, in order to ensure that your vote is counted at the special meeting, we recommend that you

sign, date and promptly mail the enclosed proxy card.

**Q. Can I change my mind and revoke my proxy?**

A. Yes, you may revoke your proxy and change your vote at any time prior to its exercise at the special meeting by:

signing another proxy with a later date and filing it with an officer of Excel;

filing written notice of the revocation of your proxy with an officer of Excel; or

attending the special meeting and voting in person.

**Q. Should I send in my stock certificates now?**

A. No please do not send in your certificates at this time. Once the merger is completed, Marshall & Ilsley's exchange agent will send you written instructions for exchanging your Excel common stock certificates.

**Q. Who can answer my questions about the merger?**

A. If you have more questions about the merger, please contact David Grandstrand of Excel, at (612) 238 2002.

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**SUMMARY**

This summary highlights selected information from this document and may not contain all of the information that is important to you. To understand the merger fully and for a more complete description of the legal terms of the merger, you should read carefully this entire document, including the appendices, and the other documents to which we refer. For more information about Marshall & Ilsley and Excel, see "Where You Can Find More Information" on page [ ].

**The Companies**

Marshall & Ilsley Corporation

770 North Water Street

Milwaukee, Wisconsin 53202

(414) 765-7797

Marshall & Ilsley, incorporated under the laws of Wisconsin in 1959, is a registered bank holding company under the Bank Holding Company Act and a financial holding company under the Gramm-Leach-Bliley Act. Marshall & Ilsley's principal assets are the stock of its bank and non-bank subsidiaries. As of December 31, 2006, Marshall & Ilsley had consolidated total assets of approximately \$56.2 billion and consolidated total deposits of approximately \$34.1 billion, making it the largest bank holding company headquartered in Wisconsin.

M&I Marshall & Ilsley Bank, one of Marshall & Ilsley's primary bank subsidiaries, is the largest Wisconsin-based bank with 194 offices throughout the state. In addition, M&I Marshall & Ilsley Bank has 46 locations throughout Arizona; 17 offices in Kansas City and nearby communities; 17 offices on Florida's west coast; 17 offices in metropolitan Minneapolis/St. Paul and one in Duluth, Minnesota; and three offices in Tulsa, Oklahoma. Marshall & Ilsley's M&I Bank FSB subsidiary has one office in Las Vegas, Nevada. Marshall & Ilsley's Southwest Bank affiliate has 16 offices in the greater St. Louis, Missouri area. Metavante Corporation, Marshall & Ilsley's wholly-owned subsidiary, provides a full array of technology products and services for the financial services industry. Marshall & Ilsley also provides trust and investment management, equipment leasing, mortgage banking, asset-based lending, financial planning, investments and insurance services from offices throughout the country and on the Internet. Marshall & Ilsley's customer-based approach, internal growth, and

strategic acquisitions have made Marshall & Ilsley a nationally recognized leader in the financial services industry.

In December 2006, Marshall & Ilsley announced the signing of a definitive agreement to acquire United Heritage Bankshares of Florida, Inc. (United Heritage) headquartered in Orlando, Florida. United Heritage, with \$751 million in assets as of December 31, 2006, has 13 branches in the metropolitan Orlando area. It is expected that the current United Heritage bank branches will become M&I Marshall & Ilsley Bank branches. Under the terms of the definitive agreement, United Heritage shareholders will receive 0.8740 of a share of Marshall & Ilsley common stock for each share of United Heritage common stock. Based on the price of Marshall & Ilsley's common stock when the agreement was executed, the transaction value is estimated to be approximately \$217 million. The United Heritage transaction is expected to be completed in the second quarter of 2007, subject to regulatory approvals and other customary closing conditions. The holders of a majority of United Heritage's outstanding shares approved the transaction on February 22, 2007.

Marshall & Ilsley common stock is traded on the New York Stock Exchange under the symbol MI.

Excel Bank Corporation

50 South Sixth Street

Minneapolis, Minnesota 55402

Excel, incorporated under the laws of the State of Minnesota in 1980, is a registered bank holding company under the Bank Holding Company Act. Excel's assets primarily consist of the stock of its subsidiary, Excel Bank Minnesota, which provides services in the Minneapolis/St. Paul metropolitan area through 4 bank locations. At December 31, 2006, Excel had consolidated total assets of \$615.3 million and consolidated total

deposits of \$501.2 million.

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### **The Merger**

At the effective time of the merger, EBC Acquisition Corporation ( Merger Sub ), a wholly-owned subsidiary of Marshall & Ilsley, will merge with and into Excel, and Excel will become a wholly-owned subsidiary of Marshall & Ilsley. Marshall & Ilsley will issue a combination of cash and a fraction of a share of its common stock to the shareholders of Excel in exchange for their shares of Excel common stock. Merger Sub will cease to exist as a separate corporation. Excel will be the surviving corporation and will become a wholly-owned subsidiary of Marshall & Ilsley.

### **Merger Consideration**

If the merger is completed, each share of Excel common stock that you own as of the effective time of the merger will be converted into the right to receive the per share consideration, which consists of \$9.08 in cash and a fraction of a share of Marshall & Ilsley common stock equal to \$4.89 divided by the average of the average high and low sale price of Marshall & Ilsley common stock on the NYSE during the ten trading days ending on and including the third trading day prior to the merger, which we refer to as the average trading price. We refer to such fraction of a share of Marshall & Ilsley common stock as the stock amount.

The merger agreement provides that if the stock amount, as calculated based on the average trading price, is greater than 0.1198, the stock amount will be reduced to 0.1198, and if the stock amount is less than 0.0885, the stock amount will be increased to 0.0885. If the effective time of the merger had been [ ], 2007 (the day before the date of this proxy statement/prospectus), the average trading price would have been [\$ ] and the stock amount would have been [0. ].

Each share of Marshall & Ilsley common stock issued and outstanding prior to the merger will remain issued and outstanding and will not be converted or exchanged in the merger.

### **No Fractional Shares Will be Issued**

Marshall & Ilsley will not issue any fractional shares in the merger. Instead, you will receive cash in lieu of any fractional share of Marshall & Ilsley

common stock owed to you, after taking into account all shares of Excel common stock delivered by you.

### **Material Federal Income Tax Consequences of the Merger**

It is a condition to the merger that you consent to an election under Section 338(h)(10) of the Internal Revenue Code by executing a Form 8023 that is being provided to you in connection with the solicitation of your proxy. The result of the Section 338(h)(10) election is that, for federal income tax purposes, the merger is treated as a deemed sale by Excel of its assets to Marshall & Ilsley, followed by a deemed liquidation of Excel in which you receive the same amount of cash and Marshall & Ilsley stock as you are receiving in the merger. The deemed sale and liquidation result in a taxable transaction to you. Taxes will also be payable by you if you dissent from the merger and receive cash for the fair value of your shares under the MBCA. The expected material federal income tax consequences are set forth in greater detail beginning on page [ ].

Tax matters are very complicated and the tax consequences of the merger to you will depend on the facts of your own situation. You are urged to consult your own tax advisor for a full understanding of the tax consequences of the merger to you.

### **Reasons for the Merger**

The Excel Board of Directors believes that in the rapidly changing environment of the banking industry, merging with a wholly-owned subsidiary of Marshall & Ilsley is consistent with Excel's goal of enhancing shareholder value.

Marshall & Ilsley believes that the merger of its wholly-owned subsidiary with Excel presents Marshall & Ilsley with an attractive opportunity to expand its operations in the Minneapolis/St. Paul metropolitan market. In addition, Marshall & Ilsley expects that the merger will provide growth opportunities, and will not have a material impact on Marshall & Ilsley's financial results.

You can find a more detailed discussion of the background to the merger agreement and Excel's and Marshall & Ilsley's reasons for the merger in this



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document under The Merger Background of the Merger beginning on page [ ], Reasons for the Merger and Excel Board Recommendation beginning on page [ ], and Marshall & Ilsley's Reasons for the Merger on page [ ].

### **Opinion of Excel's Financial Advisor**

Among other factors considered in deciding to approve the merger and the merger agreement, the Excel Board of Directors received the written opinion of its financial advisor, Keefe, Bruyette & Woods, Inc., that as of February 9, 2007, which was the date on which the Excel Board of Directors approved the merger and the merger agreement, and based on and subject to the considerations in its opinion, the per share consideration to be received by holders of shares of Excel common stock pursuant to the merger agreement was fair, from a financial point of view, to such holders. The Keefe, Bruyette & Woods, Inc. opinion is included as Appendix C to this document and is incorporated herein by reference. You should read this opinion completely to understand the assumptions made, matters considered and limitations of the review undertaken by Keefe, Bruyette & Woods, Inc. in providing its opinion.

### **Recommendation to Excel Shareholders**

The Excel Board of Directors believes that the merger agreement and the transactions contemplated thereby, including the merger, are advisable to, fair to and in the best interests of Excel and its shareholders and unanimously recommends that you vote FOR approval and adoption of the merger agreement and the transactions contemplated thereby, including the merger.

### **Interests of Certain Persons in the Merger**

The executive officers and one member of the Board of Directors of Excel have interests in the merger that are in addition to their interests as shareholders of Excel. Among other things, all outstanding options to acquire Excel common stock issued pursuant to Excel's stock option plans will vest and be converted into options to acquire shares of Marshall & Ilsley common stock as provided for in the merger agreement and certain of Excel's executive officers will be entitled to payments under

their existing employment agreements, including payments pursuant to change in control provisions, and certain retention agreements. See The Merger Interests of Certain Persons beginning on page [ ].

### **The Special Meeting**

A special meeting of the Excel shareholders will be held at [ ], on [ ], 2007 at [ ] [a.m./p.m.], local time. Holders of Excel common stock as of the close of business on [ ], 2007 are entitled to vote at the Excel special meeting and will be asked to consider and vote upon the approval and adoption of the merger agreement and the merger.

As of the date of this document, the Excel Board of Directors did not know of any other matters that would be presented at the Excel special meeting.

### **Vote Required**

At the special meeting of Excel shareholders, the merger agreement and the merger must be approved by the affirmative vote of a majority of the shares of Excel common stock entitled to vote at the close of business on [ ], 2007. As of that date, there were 7,238,996 shares of Excel common stock outstanding. Each share of Excel common stock is entitled to one vote.

As of [ ], 2007, Excel's directors, executive officers and their affiliates held in the aggregate approximately 6,013,814 shares of the outstanding Excel common stock, representing approximately 83.1 percent of the total number of outstanding shares of Excel common stock.

Marshall & Ilsley has entered into an agreement with certain shareholders of Excel, who in the aggregate hold approximately 82.4 percent of the outstanding Excel common stock, pursuant to which they have agreed, among other things, to vote all shares beneficially owned by them (to the extent such individuals have the right to direct the voting of such shares) to be voted in favor of the merger agreement and the merger.



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### **IRS Form 8023**

The merger agreement requires Excel to deliver, or cause to be delivered, to Marshall & Ilsley, prior to the special meeting of Excel's shareholders, a duly executed IRS Form 8023 from each of Excel's shareholders.

Even if you decide to dissent from the merger, you are strongly urged to sign and deliver a Form 8023 to Excel because it is unlikely that Marshall & Ilsley will proceed with the merger if *all* shareholders do not execute such a Form 8023. If Marshall & Ilsley does not proceed with the merger, then your election to dissent from the merger is irrelevant since you will not be entitled to cash equal to the fair value of your shares under the MBCA.

In addition, Excel has agreed not to register the transfer of any shares or issue shares upon the exercise of any stock options between the record date for the Excel special meeting and the effective time of the merger, unless any such transferee or holder of a stock option agrees to execute and deliver to Excel an IRS Form 8023.

### **Action by Marshall & Ilsley Shareholders Not Required**

Approval of the merger and the merger agreement by Marshall & Ilsley's shareholders is not required. Accordingly, Marshall & Ilsley has not called a special meeting of its shareholders.

### **Regulatory Approvals**

We cannot complete the merger unless we obtain the approval of the Board of Governors of the Federal Reserve System. Marshall & Ilsley has filed an application with the Federal Reserve Board. In addition, the merger is or may be subject to the approval of, or notice to, other regulatory authorities, including, but not limited to, the Commissioner of Commerce of the State of Minnesota. We have filed all of the required applications and notices with these regulatory authorities.

As of the date of this document, we do not have all the necessary regulatory approvals. We cannot be certain of when or if we will obtain them. However, we do not know of any reason why we should not obtain the required approvals in a timely manner.

### **Dissenters' Rights Available**

Excel shareholders who properly dissent from the merger are entitled to receive the fair value of their shares of Excel common stock in cash. To exercise your dissenters' rights, you must follow the procedures outlined in Appendix D, including, without limitation:

before the vote is taken, delivering to Excel a written notice of your intention to demand the fair value of your Excel shares; and

not voting in favor of the merger and the merger agreement.

If you sign and return your proxy without voting instructions, and do not revoke the proxy, your proxy will be voted in favor of the merger agreement and the merger and you will lose your dissenters' rights. Also, you may lose your dissenters' rights if you fail to comply with other required procedures contained in Appendix D.

### **Termination of the Merger Agreement**

Marshall & Ilsley and Excel may terminate the merger agreement by mutual consent. The merger agreement may also be terminated unilaterally by either Marshall & Ilsley or Excel if any one of several conditions exist.

The merger agreement also authorizes the Excel Board of Directors to exercise its discretion as to whether to proceed with the merger in the event Excel has the right to terminate the merger agreement. This determination may be made without notice to, or the resolicitation of proxies from, the Excel shareholders.



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**Share Information and Market Prices for Marshall & Ilsley Common Stock**

Marshall & Ilsley common stock is traded on the New York Stock Exchange under the symbol MI.

The following table lists the closing price of Marshall & Ilsley common stock and the equivalent value of a share of Excel common stock giving effect to the merger on:

February 9, 2007, the last trading day before we announced the merger; and

[ ], 2007, the last practical day to obtain share price information before the date of this proxy statement/prospectus.

There is no public trading market for Excel common stock and to the knowledge of Excel's management, no trades of Excel common stock have occurred in the relevant time periods.

	<b>Closing Price of Marshall &amp; Ilsley Common Stock</b>	<b>Closing Price of Excel Common Stock</b>	<b>Equivalent Per Share Value of Excel Common Stock</b>
February 9, 2007	\$ 48.16	N/A	\$ 14.11
[ ], 2007	\$ [ ]	N/A	\$ [ ]

The equivalent per share value of Excel common stock on each of these two days represents the total dollar value of the per share consideration to be issued, assuming the effective time of the merger occurred on one of those two dates. The per share consideration is equal to the sum of (a) \$9.08 in cash and (b) the stock amount. For each of these two days, we calculated the stock amount by dividing \$4.89 by the average of the average high and low sale price per share of Marshall & Ilsley common stock on the NYSE for the ten trading days ending on and including the third trading day preceding such date.

The market price of Marshall & Ilsley common stock may change at any time. Consequently, the total dollar value of the per share consideration you will be entitled to receive as a result of the merger may be significantly higher or lower than what is reflected in the table above or its value at the effective time of the merger.

**Table of Contents****Price Range of Common Stock and Dividends***Marshall & Ilsley Share Prices and Dividends*

Marshall & Ilsley common stock is listed on the New York Stock Exchange and traded under the symbol MI. The following table sets forth, for the periods indicated, the high and low reported closing sale prices per share of Marshall & Ilsley common stock on the NYSE composite transactions reporting system and cash dividends declared per share of Marshall & Ilsley common stock.

	Price Range of Common Stock		Dividends Declared
	High	Low	
<b>2005</b>			
First Quarter	\$ 43.65	\$ 40.21	\$ 0.21
Second Quarter	45.06	41.23	0.24
Third Quarter	47.28	42.83	0.24
Fourth Quarter	44.40	40.18	0.24
<b>2006</b>			
First Quarter	\$ 45.35	\$ 40.91	\$ 0.24
Second Quarter	46.44	43.36	0.27
Third Quarter	48.54	44.76	0.27
Fourth Quarter	49.07	45.53	0.27
<b>2007</b>			
First Quarter (through March 22, 2007)	\$ 49.23	\$ 46.18	\$ 0.27

*Excel Share Prices and Dividends*

There is no established trading market for Excel common stock and, to the knowledge of Excel's management, no trades of Excel common stock have occurred in the relevant time periods. The following table sets forth the cash dividends declared per share of Excel common stock.

	Dividends Declared
<b>2005</b>	
First Quarter	\$ 0.09961
Second Quarter	0.33829
Third Quarter	0.13101
Fourth Quarter	0.36369
<b>2006</b>	
First Quarter	\$ 0.07
Second Quarter	0.27
Third Quarter	0.17
Fourth Quarter	0.44
<b>2007</b>	
First Quarter (through March 22, 2007)	\$ 0.00

On March 22, 2007, there were approximately 56 holders of record of Excel common stock.

The timing and amount of future dividends, if any, paid by Marshall & Ilsley and Excel are subject to determination by the applicable board of directors in their discretion and will depend upon earnings, cash requirements and the financial condition of the respective companies and their subsidiaries, applicable government regulations and other factors deemed relevant by the applicable company's board of directors.

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Various state and federal laws limit the ability of subsidiary banks to pay dividends to Marshall & Ilsley and Excel. The merger agreement permits the payment of cash dividends of up to \$7 million on Excel common stock from the date of the merger agreement to the effective time of the merger, subject to the satisfaction of certain conditions. See [Terms of the Merger Agreement - Conduct of Business Pending the Merger](#).

### **Comparison of Unaudited Per Share Data**

The following table shows information about Marshall & Ilsley's and Excel's net income per share, cash dividends per share and book value per share and similar information after giving effect to the merger. This information is referred to below as *pro forma* information. In presenting the *pro forma* information, Marshall & Ilsley and Excel assumed that Merger Sub and Excel had been merged as of the beginning of the earliest period presented. The *pro forma* information gives effect to the merger under the purchase method of accounting in accordance with currently existing accounting principles generally accepted in the United States.

Marshall & Ilsley assumed that the stock amount would be 0.1042 in computing the *pro forma* combined and equivalent *pro forma* combined per share data. The stock amount of 0.1042 represents the midpoint in the range of 0.0885 and 0.1198 stated in the merger agreement. This stock amount would provide Excel shareholders with a fraction of a share of Marshall & Ilsley common stock having a value of \$4.89 if the average trading price was \$46.93.

Marshall & Ilsley expects that it will incur merger and integration charges as a result of combining our companies. The *pro forma* information is helpful in illustrating the financial characteristics of the combined company under one set of assumptions. However, it does not reflect these merger and integration costs and, accordingly, does not attempt to predict or suggest future results. Also, it does not necessarily reflect what the historical results of the combined company would have been had the companies been combined for the periods presented.

You should read the information in the following table together with the historical financial information that Marshall & Ilsley has included in its prior filings with the United States Securities and Exchange Commission. This material has been incorporated into this document by reference to those filings. See [Where You Can Find More Information](#) on page [ ].

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	Year Ended	Year Ended
	December 31,	December 31,
	2006	2005
<b>Marshall &amp; Ilsley Common Stock</b>		
Earnings per basic common share		
Historical	\$ 3.24	\$ 3.06
Pro forma combined <sup>(1)</sup>	3.25	3.06
Earnings per diluted common share		
Historical	\$ 3.17	\$ 2.99
Pro forma combined <sup>(1)</sup>	3.18	2.99
Dividends per basic common share		
Historical	\$ 1.05	\$ 0.93
Pro forma combined <sup>(2)</sup>	1.05	0.93
Book value per basic common share		
Historical	\$ 24.24	\$ 20.27
Pro forma combined	24.31	20.36
	Year Ended	Year Ended
	December 31,	December 31,
	2006	2005
<b>Excel Common Stock</b>		
Earnings per basic common share		
Historical	\$ 1.08	\$ 0.70
Equivalent Pro forma combined <sup>(3)</sup>	0.34	0.32
Earnings per diluted common share		
Historical	\$ 1.06	\$ 0.70
Equivalent Pro forma combined <sup>(3)</sup>	0.33	0.31
Dividends per basic common share		
Historical	\$ 0.95	\$ 0.92
Equivalent Pro forma combined <sup>(3)</sup>	0.11	0.10
Book value per basic common share		
Historical	\$ 5.50	\$ 5.33
Equivalent Pro forma combined <sup>(3)</sup>	2.53	2.12

(1) The effect of estimated non-recurring merger and integration costs resulting from the merger has not been included in the pro forma amounts.

(2) Pro forma dividends per share represent historical dividends paid by Marshall & Ilsley.

(3) Represents Marshall & Ilsley's pro forma results multiplied by the assumed stock amount of 0.1042.

**Table of Contents****Selected Historical Financial Data of Marshall & Ilsley**

The table below presents selected Marshall & Ilsley historical financial data for the five years ended December 31, 2006, which are derived from its previously filed audited consolidated financial statements for those years.

You should read the following table together with the historical financial information that Marshall & Ilsley has presented in its prior SEC filings. Marshall & Ilsley has incorporated this material into this document by reference. See [Where You Can Find More Information](#) on page [ ].

	2006	For the Twelve Months Ended December 31,			2002
		2005	2004	2003	
		(in thousands, except per share data)			
<b>Income Statement Data:</b>					
Interest and Fee Income	\$ 3,212,500	\$ 2,246,631	\$ 1,694,355	\$ 1,562,148	\$ 1,588,345
Interest Expense	1,722,201	981,397	533,798	472,634	561,038
Net Interest Income	1,490,299	1,265,234	1,160,557	1,089,514	1,027,307
Provision for Loan and Lease Losses	50,551	44,795	37,963	62,993	74,416
Net Interest Income after Provision For Loan and Lease Losses	1,439,748	1,220,439	1,122,594	1,026,521	952,891
Other Income	1,915,421	1,716,259	1,417,930	1,183,573	1,061,679
Other Expense	2,159,537	1,879,044	1,628,684	1,485,587	1,331,206
Provision for Income Taxes	387,794	351,464	305,987	202,060	225,455
Net Income	\$ 807,838	\$ 706,190	\$ 605,853	\$ 522,447	\$ 457,909
<b>Net Income Per Common Share:</b>					
Basic	\$ 3.24	\$ 3.06	\$ 2.72	\$ 2.31	\$ 2.15
Diluted	3.17	2.99	2.66	2.28	2.06
<b>Average Balance Sheet Data:</b>					
Cash and Due from Banks	\$ 1,023,782	\$ 966,078	\$ 835,391	\$ 752,215	\$ 708,256
Total Investment Securities	7,340,825	6,446,615	6,065,234	5,499,316	5,282,681
Net Loans and Leases	38,722,028	31,413,497	26,661,090	24,044,753	20,725,780
Total Assets	52,651,098	43,283,541	37,162,594	33,268,021	29,202,650
Total Deposits	31,588,821	26,101,473	23,987,935	21,985,878	18,642,987
Long-term Borrowings	10,071,717	8,193,001	5,329,571	3,798,851	2,693,447
Shareholders' Equity	5,600,906	4,357,314	3,564,243	3,291,827	2,806,655

**Table of Contents****Selected Historical Financial Data of Excel**

The table below presents selected Excel historical financial data as of and for the five years ended December 31, 2006, which are derived from its consolidated financial statements for those years.

	2006	For the Twelve Months Ended December 31,			2002
		2005	2004	2003	
	(in thousands, except share and per share data)				
<b>Income Statement Data:</b>					
Interest income	\$ 42,287	\$ 34,551	\$ 24,977	\$ 22,233	\$ 19,186
Interest expense	22,145	13,346	7,062	7,067	7,481
Net interest income before provisions for loan losses	20,142	21,205	17,915	15,166	11,705
Provision for loan losses	870	3,673	700	1,625	1,100
Net interest income after provision for loan losses	19,272	17,532	17,215	13,541	10,605
Noninterest income	1,733	1,699	1,297	1,307	432
Noninterest expenses	13,202	15,008	11,921	8,725	7,970
Income before income taxes	7,803	4,223	6,591	6,123	3,067
Income tax (benefit)	0	0	0	0	0
Net income	\$ 7,803	\$ 4,223	\$ 6,591	\$ 6,123	\$ 3,067
<b>Share and Per Share Data:</b>					
Basic earnings per share	\$ 1.08	\$ 0.70	\$ 1.18	\$ 1.20	\$ 0.61
Diluted earnings per share	1.06	0.70	1.18	1.20	0.61
Cash dividends declared	0.95	0.92	1.08	0.90	0.37
Book value at end of period	5.50	5.33	4.81	4.24	3.93
Common shares outstanding at end of period	7,238,996	7,200,101	5,949,347	5,112,136	5,063,157
Weighted average common shares outstanding (basic) during period	7,219,921	6,061,391	5,567,623	5,112,136	5,063,157
Weighted average common shares outstanding (diluted) during period	7,377,800	6,061,391	5,567,623	5,112,136	5,063,157
<b>Balance Sheet Data:</b>					
Total assets at end of period	\$ 615,307	\$ 585,822	\$ 518,111	\$ 429,480	\$ 388,430
Cash and cash equivalents	20,028	38,699	26,464	20,631	21,391
Securities	38,355	17,881	7,989	5,996	8,353
Loan, net	529,452	502,498	460,080	382,842	343,357
Deposits	501,235	477,549	423,572	340,582	323,750
Borrowings	66,400	64,001	62,270	62,992	41,670
Stockholders' equity	39,786	38,402	28,630	21,674	19,904
Total gross loans	535,877	508,908	465,602	386,722	346,598
Allowance for loan losses	6,425	6,410	5,522	3,880	3,241
Nonperforming loans	3,606	987	150	139	544
Allowance for loan losses as a percentage of period-end total gross loans	1.20%	1.26%	1.19%	1.00%	0.92%
Allowance for loan losses as a percentage of nonperforming gross loans	178%	649%	3,681%	2,791%	573%
Total nonperforming loans as a percentage of total loans	0.67%	0.19%	0.03%	0.04%	0.16%
Total nonperforming loans as a percentage of total assets	0.59%	0.17%	0.03%	0.03%	0.15%
	0.67%	0.19%	0.03%	0.04%	0.14%

Total nonperforming loans and real estate owned as a percentage of total loans

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### **RISK FACTORS**

In making your determination as to how to vote on the merger agreement and the merger, you should consider the following factors:

#### **Risks Relating to the Merger**

*Because the market price of Marshall & Ilsley common stock may fluctuate, you cannot be sure of the exact number of Marshall & Ilsley shares that you will receive.*

As a result of the merger, each share of Excel common stock will be converted into the right to receive \$9.08 in cash and between 0.0885 and 0.1198 of a share of Marshall & Ilsley common stock. We refer to this fractional share of Marshall & Ilsley common stock as the stock amount. The stock amount will be determined by dividing \$4.89 by the average trading price, except that if the stock amount as so calculated is less than 0.0885, then the stock amount will be increased to 0.0885, and if the stock amount as so calculated is greater than 0.1198, then the stock amount will be decreased to 0.1198. As a result, you must decide whether to approve the merger without knowing the exact fraction of a share of Marshall & Ilsley common stock you will receive and the corresponding cash equivalent value of the stock amount.

For a complete description of how we will determine the stock amount, see [The Merger](#) [Merger Consideration](#).

*The value of the Marshall & Ilsley shares you receive will depend on the average trading price of Marshall & Ilsley common stock during the measurement period prior to the merger, and you cannot be sure of the value of the per share consideration that you will receive.*

Changes in the market price of Marshall & Ilsley common stock before the effective time of the merger will affect the stock amount. The stock amount will be determined by dividing \$4.89 by the average of the average high and low sale price of Marshall & Ilsley common stock on the NYSE during the ten trading days ending on and including the third trading day prior to the effective time of the merger. If Marshall & Ilsley common stock trades below \$40.82 per share during the measurement period, then the stock amount will equal 0.1198 of a share of Marshall & Ilsley common stock with a value of less than \$4.89. We cannot predict the price at which Marshall & Ilsley common stock will trade before and after the effective time of the merger. Any number of factors could cause the market price of Marshall & Ilsley common stock to change, including changes in general market and economic conditions, changes in Marshall & Ilsley's business, operations and prospects and changes in the regulatory environment. Many of these factors are beyond our control. There are no walk away or termination rights in the merger agreement that would permit Excel to terminate the merger if the value of Marshall & Ilsley common stock falls below a specified price.

#### **Post-Merger Risks**

*The market price of the shares of Marshall & Ilsley common stock may be affected by factors different from those affecting the shares of Excel common stock.*

Upon completion of the merger, holders of Excel common stock will become holders of Marshall & Ilsley common stock. Some of Marshall & Ilsley's current businesses and markets differ from those of Excel and, accordingly, the results of operations of Marshall & Ilsley after the merger may be affected by factors different from those currently affecting the results of operations of Excel. For a discussion of the businesses of Marshall & Ilsley and Excel and of certain factors to consider in connection with those businesses, see [Marshall & Ilsley Corporation Description of Business](#), [Excel Bank Corporation Description of Business](#) and the documents incorporated by reference into this document and referred to under [Where You Can Find More Information](#) on page [ ].

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*Marshall & Ilsley's earnings are significantly affected by general business and economic conditions, including credit risk and interest rate risk.*

Marshall & Ilsley's business and earnings are sensitive to general business and economic conditions in the United States and, in particular, the states where it has significant operations, including Wisconsin, Arizona, Minnesota, Missouri, Oklahoma, Kansas, Nevada and Florida. These conditions include short-term and long-term interest rates, inflation, monetary supply, fluctuations in both debt and equity capital markets, the strength of the United States and local economies, consumer spending, borrowing and saving habits, all of which are beyond Marshall & Ilsley's control. For example, an economic downturn, increase in unemployment or higher interest rates could decrease the demand for loans and other products and services and/or result in a deterioration in credit quality and/or loan performance and collectibility. Non-payment of loans, if it occurs, could have an adverse effect on Marshall & Ilsley's financial condition and results of operations and cash flows. Higher interest rates also could increase Marshall & Ilsley's cost to borrow funds and increase the rate Marshall & Ilsley pays on deposits. In addition, an overall economic slowdown could negatively impact the purchasing and decision-making activities of the financial institution customers of Metavante.

*Terrorism, acts of war or international conflicts could negatively affect Marshall & Ilsley's business and financial condition.*

Acts or threats of war or terrorism, international conflicts, including ongoing military operations in Iraq and Afghanistan, and the actions taken by the United States and other governments in response to such events could negatively impact general business and economic conditions in the United States. If terrorist activity, acts of war or other international hostilities cause an overall economic decline, Marshall & Ilsley's financial condition and operating results could be materially adversely affected. The potential for future terrorist attacks, the national and international responses to terrorist attacks or perceived threats to national security and other actual or potential conflicts or acts of war, including conflict in the Middle East, have created many economic and political uncertainties that could seriously harm Marshall & Ilsley's business and results of operations in ways that cannot presently be predicted.