

MARSHALL & ILSLEY CORP/WI/
Form S-4/A
July 23, 2002
Table of Contents

As filed with the Securities and Exchange Commission on July 23, 2002

Registration No. 333-92472

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AMENDMENT NO. 1
TO
FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

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)

39-0968604
(I.R.S. Employer
Identification No.)

770 North Water Street
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
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)

Copies of communications to:

Christopher B. Noyes
Godfrey & Kahn, S.C.
780 North Water Street
Milwaukee, Wisconsin 53202

Randall J. Erickson
Senior Vice President and
General Counsel
Marshall & Ilsley Corporation
770 North Water Street
Milwaukee, Wisconsin 53202

John L. Gillis, Jr.
Armstrong Teasdale LLP
One Metropolitan Square,
Suite 2600
211 North Broadway
St. Louis, Missouri 63102-2740

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. "

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.

Table of Contents

The information in this prospectus is not complete and may be changed. We may not sell these securities until the Registration Statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any state where the offer or sale is not permitted.

Subject To Completion, Dated July 23, 2002

Proxy Statement/Prospectus

**Proxy Statement for Mississippi Valley Bancshares, Inc.
Special Meeting**

Prospectus of Marshall & Ilsley Corporation

The boards of directors of Marshall & Ilsley Corporation and Mississippi Valley Bancshares, Inc. have agreed that Mississippi Valley will merge with and into Marshall & Ilsley, with Marshall & Ilsley being the surviving corporation. If the merger is completed, each share of Mississippi Valley common stock will be converted into the right to receive, at your election, either a combination of cash and shares of Marshall & Ilsley common stock, or cash, or shares of Marshall & Ilsley common stock. The total dollar value of the consideration that you will receive for each share of Mississippi Valley common stock that you exchange in the merger, which we refer to as the per share consideration, will be based, in part, on the average trading price of Marshall & Ilsley common stock during the five trading days up to and including the third trading day prior to the effective time of the merger. If the average trading price is less than \$23.44, you will receive the minimum per share merger consideration. The total dollar value of the minimum per share consideration is an amount equal to \$26.25, plus 1.0116 multiplied by the average trading price of Marshall & Ilsley common stock. If the average trading price is equal to or greater than \$38.44, you will receive the maximum per share consideration. The total dollar value of the maximum per share consideration is an amount equal to \$26.25, plus 0.7492 multiplied by the average trading price of Marshall & Ilsley common stock. Cash will be paid in lieu of issuing fractional shares.

Based on the \$28.14 average trading price per share of Marshall & Ilsley common stock during the five trading days up to and including the third trading day prior to July 23, 2002, the total dollar value of the per share consideration would have been \$50.13.

The merger cannot be completed unless the shareholders of Mississippi Valley approve the merger and the agreement and plan of merger, including the plan of merger constituting a part thereof. Mississippi Valley has scheduled a special meeting of shareholders on September 4, 2002 for you to vote on these matters. The approval of Marshall & Ilsley's shareholders is not required.

The board of directors of Mississippi Valley unanimously recommends that the holders of Mississippi Valley common stock vote **FOR** approval of the merger and the agreement and plan of merger, including the plan of merger constituting a part thereof.

Whether or not you plan to attend the special meeting on September 4, 2002, please take the time to vote by completing, signing and mailing the enclosed proxy card to us. Your vote is very important.

Marshall & Ilsley common stock is traded on the New York Stock Exchange under the symbol **MI**. Mississippi Valley common stock is quoted on the Nasdaq Stock Market under the symbol **MVBI**.

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 18.

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.

Edgar Filing: MARSHALL & ILSLEY CORP/WI/ - Form S-4/A

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.

The date of this proxy statement / prospectus is July 23, 2002 and is being first mailed to Mississippi Valley shareholders on or about August 1, 2002.

This document incorporates by reference important business information and financial information about Marshall & Ilsley and Mississippi Valley that is not included in or delivered with this document. See [Where You Can Find More Information](#) on page 72 of the document for a list of documents that Marshall & Ilsley and Mississippi Valley have incorporated by reference into this document. These documents are available to you without charge upon written or oral request made to:

Shareholder/Investor Relations
Marshall & Ilsley Corporation
770 North Water Street
Milwaukee, Wisconsin 53202
(414) 765-7817

Mississippi Valley Bancshares, Inc.
13205 Manchester Road
St. Louis, Missouri 63131
(314) 543-3512

To obtain documents in time for the special meeting, your request should be received by August 27, 2002.

Table of Contents

MISSISSIPPI VALLEY BANCSHARES, INC.
13205 Manchester Road
St. Louis, Missouri 63131

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
To be held on September 4, 2002

To the Shareholders of Mississippi Valley Bancshares, Inc.:

Please take notice that the board of directors of Mississippi Valley Bancshares, Inc. has called a special meeting of shareholders. The special meeting will be held on Wednesday, September 4, 2002 at 9:00 a.m., St. Louis time, at the St. Louis Marriott West, 660 Maryville Centre Drive, St. Louis, Missouri.

The purposes of the meeting are the following:

1. To vote on a proposal to approve the agreement and plan of merger dated as of June 17, 2002 by and between Marshall & Ilsley Corporation and Mississippi Valley Bancshares, Inc., including the plan of merger constituting a part thereof, and the merger of Mississippi Valley Bancshares, Inc. with and into Marshall & Ilsley Corporation contemplated by that agreement; and
2. To transact any other business that may properly come before the meeting and any adjournment or postponement thereof.

Only Mississippi Valley shareholders of record on July 26, 2002 will be entitled to vote at the special meeting or any adjournments or postponements thereof.

By approving proposal one, Mississippi Valley shareholders are approving the agreement and plan of merger, the plan of merger, and the transactions contemplated by that agreement and plan, including the merger of Mississippi Valley with and into Marshall & Ilsley.

As described on pages 44 and 45 of this document under the caption "The Merger Dissenters' Rights," under Missouri law, Mississippi Valley shareholders may assert dissenters' rights in connection with the merger and receive in cash the fair value of their shares of Mississippi Valley common stock. A copy of the Missouri dissenters' rights statute is included in this document as Appendix D.

A proxy card for the special meeting is enclosed herewith. 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 merger, the agreement and plan of merger, and the plan of merger. If you fail to return your proxy card, the effect will be the same as a vote against the merger, the agreement and plan of merger, and the plan of merger. 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.

By order of the board of directors:

MISSISSIPPI VALLEY BANCSHARES, INC.

/s/ Carol B. Dolenz

By: _____
Carol B. Dolenz,
Secretary

July 23, 2002

Table of Contents**TABLE OF CONTENTS**

	<u>Page</u>
<u>SUMMARY</u>	5
<u>The Companies</u>	5
<u>The Merger</u>	5
<u>Holders of Mississippi Valley Common Stock Will Receive a Combination of Cash and Shares of Marshall & Ilsley Common Stock, Cash or Shares of Marshall & Ilsley Common Stock in the Merger</u>	5
<u>Electing the Type of Consideration You Wish to Receive In Exchange for Your Shares of Mississippi Valley Common Stock</u>	7
<u>No Fractional Shares will be Issued</u>	7
<u>Material Federal Income Tax Consequences of the Merger</u>	7
<u>Reasons for the Merger</u>	7
<u>Opinion of Mississippi Valley's Financial Advisor</u>	7
<u>Recommendation to Mississippi Valley Shareholders</u>	8
<u>The Special Meeting</u>	8
<u>Vote Required</u>	8
<u>Action by Marshall & Ilsley Shareholders Not Required</u>	8
<u>Regulatory Approvals</u>	8
<u>Dissenters' Rights Available</u>	9
<u>Termination of the Merger Agreement</u>	9
<u>Share Information and Market Prices for Marshall & Ilsley Common Stock</u>	10
<u>Price Range of Common Stock and Dividends</u>	11
<u>Comparison of Unaudited Per Share Data</u>	12
<u>Selected Historical Financial Data of Marshall & Ilsley</u>	14
<u>Selected Historical Financial Data of Mississippi Valley</u>	15
<u>Recent Operating Results</u>	15
<u>Illustrative Calculation of Mixed Elections, Cash Elections and Stock Elections</u>	17
<u>RISK FACTORS</u>	18
<u>FORWARD-LOOKING STATEMENTS</u>	21
<u>SPECIAL MEETING OF MISSISSIPPI VALLEY SHAREHOLDERS</u>	22
<u>Purpose of the Meeting</u>	22
<u>Record Date</u>	22
<u>Required Vote</u>	22
<u>Proxies</u>	22
<u>Solicitation of Proxies</u>	23
<u>THE MERGER</u>	24
<u>Structure of the Merger</u>	24
<u>Background of the Merger</u>	24
<u>Management and Operations after the Merger</u>	25
<u>Merger Consideration</u>	26
<u>Allocation</u>	28
<u>No Fractional Shares</u>	29
<u>Effective Time of the Merger</u>	29
<u>Exchange of Certificates</u>	30
<u>Conversion of Mississippi Valley Stock Options</u>	31
<u>Interests of Certain Persons</u>	31
<u>Recommendation of the Mississippi Valley Board of Directors and Reasons for the Merger</u>	33
<u>Marshall & Ilsley's Reasons for the Merger</u>	35
<u>Opinion of Mississippi Valley's Financial Advisor</u>	35

Table of Contents

<u>Material Federal Income Tax Consequences</u>	41
<u>Regulatory Approvals</u>	43
<u>Accounting Treatment</u>	44
<u>Resales of Marshall & Ilsley Common Stock</u>	44
<u>Dissenters' Rights</u>	44
<u>TERMS OF THE MERGER AGREEMENT</u>	45
<u>Representations and Warranties</u>	45
<u>Conduct of Business Pending the Merger</u>	46
<u>No Solicitation of Transactions</u>	48
<u>Employee Benefit Matters</u>	48
<u>Conditions to Completion of the Merger</u>	49
<u>Termination of the Merger Agreement</u>	50
<u>Waiver and Amendment of the Merger Agreement</u>	51
<u>Shareholder Voting Agreement</u>	51
<u>MARSHALL & ILSLEY CORPORATION</u>	52
<u>Description of Business</u>	52
<u>Additional Information</u>	53
<u>MISSISSIPPI VALLEY BANCSHARES, INC.</u>	54
<u>Description of Business</u>	54
<u>Additional Information</u>	54
<u>COMPARATIVE RIGHTS OF SHAREHOLDERS</u>	55
<u>SHAREHOLDER PROPOSALS</u>	71
<u>LEGAL MATTERS</u>	71
<u>EXPERTS</u>	71
<u>NOTICE REGARDING ARTHUR ANDERSEN LLP</u>	72
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	72

APPENDICES:

Appendix A	Agreement and Plan of Merger
Appendix B	Plan of Merger
Appendix C	Opinion of Morgan Stanley & Co. Incorporated
Appendix D	Missouri Dissenters' Rights Statute

Table of Contents

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 Mississippi Valley and a prospectus of Marshall & Ilsley. As a proxy statement, this document is being provided to you by Mississippi Valley because the board of directors of Mississippi Valley is soliciting your proxy for use at the special meeting of shareholders called to vote on the proposed merger of Mississippi Valley with and into 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 Marshall & Ilsley is offering shares of its common stock in exchange for your shares of Mississippi Valley common stock in connection with the merger.

Q. Why do Mississippi Valley and Marshall & Ilsley want to merge?

- A. The Mississippi Valley board of directors believes that the merger is consistent with Mississippi Valley's goal of achieving superior shareholder returns and will create a more competitive company better able to serve its customers. The Marshall & Ilsley board of directors believes that the merger will enable Marshall & Ilsley to expand its operations into the St. Louis, Missouri area and expand its current operations in Phoenix, Arizona and strengthen its banking franchise through Mississippi Valley's strong commercial banking presence in the St. Louis and Phoenix areas.

Q. What will I receive for my shares of Mississippi Valley common stock?

- A. If the merger is completed, you may elect to exchange each share of Mississippi Valley common stock that you own as of the effective time of the merger for one of the following types of consideration:

a combination of cash and shares of Marshall & Ilsley common stock,

cash, or

shares of Marshall & Ilsley common stock.

We refer to these elections as mixed elections, cash elections and stock elections.

Q. Will I receive the specified amount of cash and Marshall & Ilsley common stock I elect to receive?

- A. Not necessarily. Approximately one-half of the total outstanding shares of Mississippi Valley common stock will be converted into cash and the other half will be converted into shares of Marshall & Ilsley common stock.

Mixed elections will receive first priority. Therefore, if you make a mixed election, you will receive the amount of cash and Marshall & Ilsley common stock specified for mixed elections.

If you make a cash election or a stock election and the total cash elections or stock elections exceed the amount of cash or stock that remains after deducting the amount of cash and stock to be issued to Mississippi Valley shareholders who make mixed elections, then you will receive some portion of the per share consideration in stock or cash, as the case may be.

Q. What is the value of the consideration that I will receive for my shares?

- A. The total dollar value of the consideration that you will receive for each share of Mississippi Valley common stock that you exchange, which we refer to as the per share consideration, will be based on the average trading price of Marshall & Ilsley common stock during the valuation period. The valuation period is the five trading days up to and including the third trading day prior to the effective time of the merger.

Table of Contents

We will determine the total dollar value of the per share consideration as follows:

If the average trading price of Marshall & Ilsley common stock during the valuation period is less than \$23.44, then the total dollar value of the per share consideration will be equal to \$26.25, plus 1.0116 multiplied by the average trading price.

If the average trading price of Marshall & Ilsley common stock during the valuation period is equal to or greater than \$23.44, but less than \$27.94, then the total dollar value of the per share consideration will be equal to \$49.96.

If the average trading price of Marshall & Ilsley common stock during the valuation period is equal to or greater than \$27.94, but less than \$33.94, then the total dollar value of the per share consideration will be equal to \$26.25, plus 0.8486 multiplied by the average trading price.

If the average trading price of Marshall & Ilsley common stock during the valuation period is equal to or greater than \$33.94, but less than \$38.44, then the total dollar value of the per share consideration will be equal to \$55.05.

If the average trading price of Marshall & Ilsley common stock during the valuation period is equal to or greater than \$38.44, then the total dollar value of the per share consideration will be equal to \$26.25, plus 0.7492 multiplied by the average trading price.

If you make a mixed election, you will receive for each of your shares \$26.25 in cash and a number of shares of Marshall & Ilsley common stock equal to the balance of the per share consideration based on the average trading price. If you make a cash election and enough cash remains to satisfy all other cash elections, you will receive for each of your shares an amount in cash equal to the total dollar value of the per share consideration. If you make a stock election and enough stock remains to satisfy all other stock elections, you will receive for each of your shares a number of shares of Marshall & Ilsley common stock equal to the total dollar value of the per share consideration divided by the average trading price.

Based on the \$28.14 average trading price of Marshall & Ilsley common stock during a valuation period of five trading days up to and including the third trading prior to July 23, 2002, the total dollar value of the per share consideration would have been \$50.13 and you would have received the following for each share of Mississippi Valley common stock that you own:

If you made a mixed election, \$26.25 in cash and 0.8486 shares of Marshall & Ilsley common stock,

If you made a cash election and enough cash remained to satisfy all other cash elections, \$50.13 in cash, and

If you made a stock election and enough stock remained to satisfy all other stock elections, 1.7814 shares of Marshall & Ilsley common stock.

Mississippi Valley has the right to terminate the merger agreement if the average trading price is less than \$21.44 during the valuation period, unless Marshall & Ilsley chooses to issue additional shares of its common stock to the Mississippi Valley shareholders such that the total dollar value of the per share consideration is equal to \$47.93.

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

Q. How do I elect the type of consideration that I wish to receive for my shares?

A. A form of election will be mailed approximately 30 days prior to the anticipated completion date of the merger. In exchange for your shares of Mississippi Valley common stock you may either:

elect to receive a combination of cash and shares of Marshall & Ilsley common stock; or

elect to receive cash only; or

Table of Contents

elect to receive shares of Marshall & Ilsley common stock only.

If you make no election regarding your shares of Mississippi Valley common stock, you will be deemed to have elected to receive shares of Marshall & Ilsley common stock only.

In order to make a valid election as to your Mississippi Valley common stock, you must complete and sign the election form and submit it to Continental Stock Transfer & Trust Company, Marshall & Ilsley's exchange agent, at 17 Battery Place, 8th Floor, New York, New York, 10004, by the election deadline, which will be the 27th day following the mailing date of the election forms.

If you do not submit a properly completed and signed form of election to the exchange agent prior to the election deadline, you will be deemed to have made no election.

Q. When do you expect the merger to be completed?

- A. We hope to complete the merger as soon as possible after Mississippi Valley's special meeting of shareholders, assuming the required shareholder approval is obtained, but the closing depends on the receipt of various federal and state regulatory approvals and the satisfaction of other closing conditions.

Q. When and where will the special meeting take place?

- A. Mississippi Valley's special meeting of shareholders will be held at 9:00 a.m., St. Louis time, on Wednesday, September 4, 2002, at the St. Louis Marriott West, 660 Maryville Centre Drive, St. Louis, Missouri.

Q. Who must approve the proposal at the special meeting?

- A. Holders of two-thirds of the outstanding shares of Mississippi Valley common stock as of the close of business on July 26, 2002, must approve the merger and the merger agreement.

Approval of the proposed merger by Marshall & Ilsley's shareholders is not required.

Marshall & Ilsley has entered into an agreement with the directors and executive officers of Mississippi Valley pursuant to which they have agreed, among other things, to vote their shares in favor of the merger and the merger agreement.

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.

Q. If my shares are held in street name by my broker, will my broker vote my shares for me?

- A. Your broker will vote your shares only if you instruct your broker on how to vote. Your broker will send you directions on how you can instruct your broker to vote.

Your broker cannot vote your shares without instructions from you.

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

- A. If you sign, date and send in 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

Table of Contents

if you voted against the merger and the merger agreement. **Therefore, the board of directors of Mississippi Valley 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 Mississippi Valley, or

filing written notice of the revocation of your proxy with an officer of Mississippi Valley.

Q. Should I send in my stock certificates now?

A. No please *do not* send in your certificates at this time. We will send you written instructions for exchanging your Mississippi Valley common stock certificates.

Q. Who can answer my questions about the merger?

A. If you have more questions about the merger, please contact Carol B. Dolenz, Secretary of Mississippi Valley, at (314) 543-3512.

Table of Contents

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 Mississippi Valley, see *Where You Can Find More Information* on page 72.

The Companies

Marshall & Ilsley Corporation
770 North Water Street
Milwaukee, Wisconsin 53202
(414) 765-7801

Marshall & Ilsley, incorporated under the laws of Wisconsin in 1959, is a registered bank holding company. Marshall & Ilsley's principal assets are the stock of its bank and nonbank subsidiaries. As of March 31, 2002, Marshall & Ilsley had consolidated total assets of approximately \$28.6 billion and consolidated total deposits of approximately \$17.8 billion, making it the largest bank holding company headquartered in Wisconsin.

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

Mississippi Valley Bancshares, Inc.
13205 Manchester Road
St. Louis, Missouri 63131
(314) 543-3512

Mississippi Valley, incorporated under the laws of Missouri in 1984, is a registered bank holding company. Mississippi Valley's assets primarily consist of the stock of its subsidiaries, Southwest Bank of St. Louis, located in the St. Louis, Missouri metropolitan area, the Southwest Bank, Belleville, located in Illinois, and the Southwest Bank of Phoenix, located in Phoenix, Arizona. As of March 31, 2002, Mississippi Valley had consolidated total assets of \$2.0 billion and consolidated total deposits of \$1.7 billion.

Mississippi Valley common stock is quoted on the Nasdaq Stock Market under the symbol **MVBI**.

The Merger

At the effective time of the merger, Mississippi Valley will merge with and into Marshall & Ilsley. Marshall & Ilsley will issue a combination of cash and shares of its common stock, cash, or shares of its common stock to the shareholders of Mississippi Valley in exchange for their shares of Mississippi Valley common stock. Mississippi Valley will cease to exist as a separate corporation. Marshall & Ilsley will be the surviving corporation.

Holders of Mississippi Valley Common Stock Will Receive a Combination of Cash and Shares of Marshall & Ilsley Common Stock, Cash, or Shares of Marshall & Ilsley Common Stock in the Merger

If the merger is completed, you may elect to exchange each share of Mississippi Valley common stock that you own as of the effective time of the merger for one of the following types of consideration:

- a combination of cash and shares of Marshall & Ilsley common stock,
- cash, or
- shares of Marshall & Ilsley common stock.

We refer to these elections as mixed elections, cash elections and stock elections.

Approximately one-half of the total outstanding shares of Mississippi Valley common stock will be converted into cash and the other half will be converted into shares of Marshall & Ilsley common stock.

Mixed elections will receive first priority. Therefore, if you make a mixed election, you will receive the amount of cash and Marshall & Ilsley common stock specified for mixed elections.

If you make a cash election or a stock election and the total cash elections or stock elections exceed the amount of cash or stock that remains after deducting the amount of cash and stock to be issued to Mississippi Valley shareholders who make mixed

Table of Contents

elections, then you will receive some portion of the per share consideration in stock or cash, as the case may be.

The total dollar value of the consideration that you will receive for each share of Mississippi Valley common stock that you exchange, which we refer to as the per share consideration, will be based on the average trading price of Marshall & Ilsley common stock during the valuation period. The valuation period is the five trading days up to and including the third trading day prior to the effective time of the merger.

We will determine the total dollar value of the per share consideration as follows:

If the average trading price of Marshall & Ilsley common stock during the valuation period is less than \$23.44, then the total dollar value of the per share consideration will be equal to \$26.25, plus 1.0116 multiplied by the average trading price.

If the average trading price of Marshall & Ilsley common stock during the valuation period is equal to or greater than \$23.44, but less than \$27.94, then the total dollar value of the per share consideration will be equal to \$49.96.

If the average trading price of Marshall & Ilsley common stock during the valuation period is equal to or greater than \$27.94, but less than \$33.94, then the total dollar value of the per share consideration will be equal to \$26.25, plus 0.8486 multiplied by the average trading price.

If the average trading price of Marshall & Ilsley common stock during the valuation period is equal to or greater than \$33.94, but less than \$38.44, then the total dollar value of the per share consideration will be equal to \$55.05.

If the average trading price of Marshall & Ilsley common stock during the valuation period is equal to or greater than \$38.44, then the total dollar value of the per share consideration will be equal to \$26.25, plus 0.7492 multiplied by the average trading price.

If you make a mixed election, you will receive for each of your shares \$26.25 in cash and a number of shares of Marshall & Ilsley common stock equal to the balance of the per share consideration based on the average trading price. If you make a cash election and enough cash remains to satisfy all other cash elections, you will receive for each of your shares an amount in cash equal to the total dollar value of the per share consideration. If you make a stock election and enough stock remains to satisfy all other stock elections, you will receive for each of your shares a number of shares of Marshall & Ilsley common stock equal to the total dollar value of the per share consideration divided by the average trading price.

Based on the \$28.14 average trading price of Marshall & Ilsley common stock during a valuation period of five trading days up to and including the third trading prior to July 23, 2002, the total dollar value of the per share consideration would have been \$50.13, and you would have received the following for each share of Mississippi Valley common stock that you own:

If you made a mixed election, \$26.25 in cash and 0.8486 shares of Marshall & Ilsley common stock.

If you made a cash election and enough cash remained to satisfy all other cash elections, \$50.13 in cash.

If you made a stock election and enough stock remained to satisfy all other stock elections, 1.7814 shares of Marshall & Ilsley common stock.

Mississippi Valley has the right to terminate the merger agreement if the average trading price is less than \$21.44 during the valuation period, unless Marshall & Ilsley chooses to issue additional shares of its common stock to the Mississippi Valley shareholders such that the total dollar value of the per share consideration is equal to \$47.93.

Each share of Marshall & Ilsley common stock issued and outstanding prior to the merger

Table of Contents

will remain issued and outstanding and will not be converted or exchanged in the merger.

Electing the Type of Consideration You Wish to Receive in Exchange for Your Shares of Mississippi Valley Common Stock

A form of election will be mailed approximately 30 days prior to the anticipated completion date of the merger. In exchange for your shares of Mississippi Valley common stock, you may either:

elect to receive a combination of cash and shares of Marshall & Ilsley common stock; or

elect to receive cash only; or

elect to receive Marshall & Ilsley common stock only.

If you do not make an election regarding your shares of Mississippi Valley common stock, you will be deemed to have elected to receive shares of Marshall & Ilsley common stock only.

In order to make a valid election as to your Mississippi Valley common stock, you must complete and sign the election form and submit it to Continental Stock Transfer & Trust Company, Marshall & Ilsley's exchange agent, at 17 Battery Place, 8th Floor, New York, New York, 10004, by the election deadline, which will be the 27th day following the mailing date of the election forms.

If you do not submit a properly completed and signed form of election to the exchange agent prior to the election deadline, you will be deemed to have made no election.

No Fractional Shares will be Issued

Marshall & Ilsley will not issue any fractional shares. Instead, you will receive cash in lieu of any fractional share of Marshall & Ilsley common stock owed to you in exchange for your shares of Mississippi Valley common stock.

Material Federal Income Tax Consequences of the Merger

The exchange of shares of Mississippi Valley common stock for shares of Marshall & Ilsley common stock is expected to be tax-free to you for federal income tax purposes, **except that taxes will be payable on any cash you receive for your shares of Mississippi Valley common stock or that you receive in lieu of fractional shares.** The expected material federal income tax consequences are set out in greater detail beginning on page 41.

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 Mississippi Valley board believes that in the rapidly changing environment of the banking industry, merging with Marshall & Ilsley is consistent with Mississippi Valley's long-term goal of enhancing shareholder value. In addition, Mississippi Valley's board believes that the customers served by Mississippi Valley will benefit from the merger.

Marshall & Ilsley believes that the merger with Mississippi Valley presents Marshall & Ilsley with a unique opportunity to expand its operations into the St. Louis, Missouri area and to expand its current operations in the Phoenix, Arizona area. In addition, Marshall & Ilsley believes that the merger will provide growth opportunities and will be accretive to the earnings per share of the combined company.

You can find a more detailed discussion of the background to the merger agreement and Mississippi Valley's and Marshall & Ilsley's reasons for the merger in this document under "The Merger Background of the Merger" beginning on page 24, "Recommendation of the Mississippi Valley Board of Directors and Reasons for the Merger" beginning on page 33, and "Marshall & Ilsley's Reasons for the Merger" beginning on page 35.

Opinion of Mississippi Valley's Financial Advisor

Among other factors considered in deciding to approve the merger, the Mississippi Valley board of directors received the written opinion of its financial advisor, Morgan Stanley & Co. Incorporated, that as of June 14, 2002, which was the date on which the

Table of Contents

Mississippi Valley board of directors approved the merger and related agreements, and based on and subject to the considerations in its opinion, the merger consideration to be received by holders of shares of Mississippi Valley common stock pursuant to the merger agreement was fair, from a financial point of view, to such holders. The Morgan Stanley 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 Morgan Stanley in providing its opinion.

Recommendation to Mississippi Valley Shareholders

The Mississippi Valley board of directors believes that the merger is in the best interests of Mississippi Valley and its shareholders and unanimously recommends that you vote FOR approval of the merger and the merger agreement.

The Special Meeting

A special meeting of the Mississippi Valley shareholders will be held at 9:00 a.m., St. Louis time, on Wednesday, September 4, 2002, at the St. Louis Marriott West, 660 Maryville Centre Drive, St. Louis, Missouri. Holders of Mississippi Valley common stock as of the close of business on July 26, 2002 are entitled to vote at the Mississippi Valley special meeting and will be asked to consider and vote upon: