

MARSHALL & ILSLEY CORP/WI/
Form 424B5
July 28, 2004
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Filed Pursuant to Rule 424(b)(5)

Registration No. 333-116138

Prospectus Supplement

(To Prospectus dated June 25, 2004)

\$600,000,000

Marshall & Ilsley Corporation
4.375% Notes due 2009

The notes will mature on August 1, 2009. Interest on the notes is payable on February 1 and August 1 of each year, beginning on February 1, 2005.

The notes will not be redeemable prior to their maturity or subject to any sinking fund provision.

The notes are the unsecured and unsubordinated obligations of Marshall & Ilsley Corporation and are not deposits, savings accounts or other obligations of any bank or savings association. The notes are not insured by the Federal Deposit Insurance Corporation, the Bank Insurance Fund or any other government agency or insurer.

The notes will be a new issue of securities and there is currently no trading market for the notes. We do not intend to apply for the notes to be listed on any securities exchange or to arrange for the notes to be quoted on any quotation system.

| | Per Note | Total |
|---|-----------------|----------------|
| Price to Public | 99.946% | \$ 599,676,000 |
| Underwriting discounts | 0.300% | \$ 1,800,000 |
| Proceeds to Marshall & Ilsley Corporation | 99.646% | \$ 597,876,000 |

The price to public set forth above does not include accrued interest, if any. Interest on the notes will accrue from July 29, 2004 and must be paid by the purchaser if the notes are delivered after July 29, 2004.

We expect to deliver the notes to investors through the book-entry delivery system of The Depository Trust Company and its participants on or about July 29, 2004.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the prospectus to which it relates is truthful or complete. Any representation to the contrary is a criminal offense.

Joint Book-Running Managers

Credit Suisse First Boston

Lehman Brothers

Robert W. Baird & Co.

**UBS
Investment
Bank**

The date of this prospectus supplement is July 26, 2004.

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You should rely only on the information contained in this document or to which we referred you. We have not authorized anyone to provide you with information that is different. This document may only be used where it is legal to sell these securities. The information in this document may only be accurate on the date of this document.

We are offering the notes for sale in those jurisdictions in the United States, and elsewhere where it is lawful to make such offers. The distribution of this prospectus supplement and the accompanying prospectus and the offering of the notes in some jurisdictions may be restricted by law. If you possess this prospectus supplement and the accompanying prospectus, you should find out about and observe these restrictions. This prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted or where the person making the offer or sale is not qualified to do so or to any person to whom it is not permitted to make such offer or sale.

In this prospectus supplement and accompanying prospectus, unless otherwise specified or the context otherwise requires, references to we , us and our are to Marshall & Ilsley Corporation and its consolidated subsidiaries, and references to dollars and \$ are to United States dollars.

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MARSHALL & ILSLEY CORPORATION

General

Marshall & Ilesley Corporation, incorporated in Wisconsin in 1959, is a registered bank holding company under the Bank Holding Company Act of 1956 and is certified as a financial holding company under the Gramm-Leach-Bliley Act of 1999. As of June 30, 2004, we had consolidated total assets of approximately \$37.1 billion and consolidated total deposits of approximately \$25.2 billion, making us the largest bank holding company headquartered in Wisconsin. Our executive offices are located at 770 North Water Street, Milwaukee, Wisconsin 53202 (telephone number (414) 765-7801).

Our principal assets are the stock of our bank and nonbank subsidiaries, which, as of June 30, 2004, included Metavante Corporation, five bank and trust subsidiaries and a number of companies engaged in businesses that the Board of Governors of the Federal Reserve System (commonly referred to as the Federal Reserve Board) has determined to be closely-related or incidental to the business of banking. We provide our subsidiaries with financial and managerial assistance in such areas as budgeting, tax planning, auditing, compliance assistance, asset and liability management, investment administration and portfolio planning, business development, advertising and human resources management.

Generally, we organize our business segments based on legal entities. Each entity offers a variety of products and services to meet the needs of its customers and the particular market served. Based on the way we organize our business, we have two reportable segments: Banking and Data Services (or Metavante). Banking consists of accepting deposits, making loans and providing other services such as cash management, foreign exchange and correspondent banking to a variety of commercial and retail customers. Data Services consists of providing data processing services, developing and selling software and providing consulting services to financial services companies, including our affiliates, as well as providing credit card merchant services. Our primary other business segments include Trust Services, Mortgage Banking (residential and commercial), Capital Markets Group, Brokerage and Insurance Services, and Commercial Leasing.

Recent Developments

On May 17, 2004, we announced that our Metavante subsidiary had entered into an agreement to acquire NYCE Corporation for approximately \$610 million in cash. NYCE Corporation owns and operates one of the largest electronic funds transfer network in the United States and provides debit card authorization processing services for ATM, on-line and off-line signature-based debit card transactions.

On July 13, 2004, we reported 2004 second quarter net income of \$151.7 million, or \$0.67 per diluted share, as compared to \$134.7 million, or \$0.59 per diluted share in the second quarter of 2003. Second quarter net income per share increased 13.6% over the same period in 2003.

Net income for the six months ended June 30, 2004 was \$297.8 million, or \$1.32 per diluted share, compared to \$262.7 million, or \$1.15 per diluted share, in the first half of 2003. Earnings for the first half of 2003 include \$1.5 million (after tax), or \$0.01 per diluted share, of Metavante's acquisition-related transition expenses.

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We reported the following balance sheet data as of June 30, 2004: cash and due from banks of \$824 million; total investment securities of \$5,915 million; net loans and leases of \$26,837 million; total assets of \$37,072 million; long-term borrowings of \$3,701 million; and shareholders equity of \$3,434 million.

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Table of Contents**SUMMARY CONSOLIDATED FINANCIAL INFORMATION**

The table below presents summary consolidated financial information of M&I and its subsidiaries for the five years ended December 31, 2003, which is derived from M&I's previously filed audited consolidated financial statements for those years, and unaudited summary consolidated financial information for the six months ended June 30, 2004 and June 30, 2003.

You should read the following table together with the consolidated financial information that M&I has presented in its prior SEC filings, which are incorporated by reference into the prospectus accompanying this prospectus supplement. See [Where You Can Find More Information](#) on page 1 of the accompanying prospectus.

| | For the Six | | For the Twelve Months Ended December 31, | | | | |
|---|--------------|------------|--|--------------|--------------|--------------|--------------|
| | Months Ended | | | | | | |
| | June 30, | | | | | | |
| | (Unaudited) | | | | | | |
| | 2004 | 2003 | 2003 | 2002 | 2001 | 2000 | 1999 |
| (in thousands, except per share data) | | | | | | | |
| Income Statement Data: | | | | | | | |
| Interest Income | \$ 787,102 | \$ 779,068 | \$ 1,529,920 | \$ 1,567,336 | \$ 1,709,107 | \$ 1,747,982 | \$ 1,496,584 |
| Interest Expense | 224,458 | 250,640 | 472,634 | 561,038 | 866,328 | 1,074,976 | 791,303 |
| Net Interest Income | 562,644 | 528,428 | 1,057,286 | 1,006,298 | 842,779 | 673,006 | 705,281 |
| Provision for Loan and Lease Losses | 18,254 | 45,334 | 62,993 | 74,416 | 54,115 | 30,352 | 25,419 |
| Net Interest Income After Provision for Loan and Lease Losses | 544,390 | 483,094 | 994,293 | 931,882 | 788,664 | 642,654 | 679,862 |
| Other Income | 643,414 | 585,171 | 1,215,801 | 1,082,688 | 1,001,250 | 931,594 | 883,076 |
| Other Expense | 737,006 | 671,263 | 1,451,707 | 1,295,978 | 1,288,869 | 1,103,898 | 1,034,999 |
| Provision for Income Taxes | 152,980 | 134,320 | 214,282 | 238,265 | 163,124 | 152,948 | 173,428 |
| Cumulative Effect of Change in Accounting Principle, Net of Income Taxes | | | | | (436) | (2,279) | |
| Net Income | \$ 297,818 | \$ 262,682 | \$ 544,105 | \$ 480,327 | \$ 337,485 | \$ 315,123 | \$ 354,511 |
| Net income per common share:* | | | | | | | |
| Basic: | | | | | | | |
| Income Before Cumulative Effect Changes in Accounting Principle | \$ 1.34 | \$ 1.16 | \$ 2.41 | \$ 2.24 | \$ 1.60 | \$ 1.51 | \$ 1.66 |
| Cumulative Effect of Changes in Accounting Principle, Net of Income Taxes | | | | | | (0.01) | |
| Net Income | \$ 1.34 | \$ 1.16 | \$ 2.41 | \$ 2.24 | \$ 1.60 | \$ 1.50 | \$ 1.66 |
| Diluted: | | | | | | | |
| Income Before Cumulative Effect Changes in Accounting Principle | \$ 1.32 | \$ 1.15 | \$ 2.38 | \$ 2.16 | \$ 1.55 | \$ 1.46 | \$ 1.57 |

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| Cumulative Effect of Changes in Accounting Principle, Net of Income Taxes | | | | | | | (0.01) |
|---|---------|---------|---------|---------|---------|---------|---------|
| Net income | \$ 1.32 | \$ 1.15 | \$ 2.38 | \$ 2.16 | \$ 1.55 | \$ 1.45 | \$ 1.57 |

Average Balance Sheet Data:

| | | | | | | | |
|-----------------------------|------------|------------|------------|------------|------------|------------|------------|
| Cash and Due From Banks | \$ 786,580 | \$ 755,183 | \$ 752,215 | \$ 708,256 | \$ 651,367 | \$ 615,015 | \$ 638,399 |
| Total Investment Securities | 5,972,340 | 5,441,231 | 5,499,316 | 5,282,681 | 5,721,053 | 5,687,345 | 5,649,727 |
| Net Loans and Leases | 25,609,706 | 23,805,809 | 24,044,753 | 20,725,780 | 17,948,053 | 16,884,443 | 14,680,725 |
| Total Assets | 35,507,797 | 32,968,432 | 33,268,021 | 29,202,650 | 26,370,309 | 25,041,777 | 22,700,963 |
| Total Deposits | 23,011,900 | 21,647,129 | 21,985,878 | 18,642,987 | 17,190,591 | 17,497,783 | 16,156,902 |
| Long-term Borrowings | 4,473,229 | 3,698,908 | 3,798,851 | 2,693,447 | 1,962,801 | 1,178,805 | 1,009,132 |
| Shareholders' Equity | 3,389,953 | 3,150,466 | 3,240,654 | 2,766,690 | 2,429,559 | 2,148,074 | 2,172,117 |

* Restated for 2-for-1 stock split effective June 17, 2002.

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Table of Contents**RATIO OF EARNINGS TO FIXED CHARGES**

The following table sets forth our consolidated ratio of earnings to fixed charges on a historical basis for the periods indicated. For purposes of computing the ratio of earnings to fixed charges, earnings represent income before taxes and fixed charges. Fixed charges, excluding interest on deposits, consist of interest expense and one-third of rental expense for all operating leases, which we believe to be representative of the interest portion of rent expense. Fixed charges, including interest on deposits, consist of interest expense, one third of rental expense and interest on deposits.

| | Six Months Ended June 30, 2004 | Years Ended December 31, | | | | |
|--|--------------------------------------|--------------------------|-------|-------|-------|-------|
| | | 2003 | 2002 | 2001 | 2000 | 1999 |
| Ratio of earnings to fixed charges: | | | | | | |
| Excluding interest on deposits | 4.67x | 3.84x | 3.38x | 2.56x | 2.46x | 3.38x |
| Including interest on deposits | 2.91x | 2.53x | 2.23x | 1.56x | 1.43x | 1.65x |

USE OF PROCEEDS

We expect to receive net proceeds from this offering of approximately \$597.6 million, after deducting underwriting discounts and other expenses of the offering. We intend to use these proceeds, along with the proceeds from a contemporaneous offering of equity units known as Common SPACESSM, for general corporate purposes, including to provide long-term financing for two recently completed acquisitions by Metavante Corporation and to fund its pending acquisition of NYCE Corporation, described in Marshall & Ilsley Corporation Recent Developments.

We expect to receive net proceeds from the contemporaneous offering of our Common SPACES of approximately \$355 million (assuming the underwriters do not exercise their overallotment option in connection with that offering), after expenses. Our Common SPACES consist of (1) a contract to purchase our common stock on August 15, 2007, which may be extended for as long as one year in certain circumstances, and (2) a 1/40, or 2.5%, undivided beneficial interest in a trust preferred security. Neither this offering nor the Common SPACES offering is contingent on the other.

Table of Contents**CAPITALIZATION**

The following table sets forth our consolidated cash and cash equivalents and actual capitalization as of June 30, 2004 and our cash and cash equivalents and capitalization as adjusted to give effect to the sale of the notes, the contemporaneous offering of Common SPACES assuming no exercise of the underwriters' overallotment option, and the application of the net proceeds of this offering and the offering of Common SPACES, as if these events had occurred on June 30, 2004. See Use of Proceeds.

| | As of June 30, 2004 | |
|--|---------------------|---------------------|
| | (in thousands) | |
| | Actual | As Adjusted |
| Cash and cash equivalents | \$ 1,135,898 | \$ 1,135,898 |
| Shareholders' Equity: | | |
| Series A convertible preferred stock, \$1.00 par value, 2,000,000 shares authorized | | |
| Common stock, \$1.00 par value, 700,000,000 shares authorized; 240,832,522 shares issued | 240,833 | 240,833 |
| Additional paid-in capital | 549,579 | 509,921 |
| Retained earnings | 3,272,646 | 3,272,646 |
| Accumulated other comprehensive income, net of related taxes | (51,912) | (51,912) |
| Less: treasury stock, at cost, 18,056,286 shares | (547,469) | (547,469) |
| deferred compensation | (29,514) | (29,514) |
| Total shareholders' equity | 3,434,163 | 3,394,505 |
| Total long-term debt, excluding current maturities | 3,700,674 | 4,665,674 |
| Total Capitalization | \$ 7,134,837 | \$ 8,060,179 |

We will recognize as a liability, with an offsetting reduction in additional paid-in capital, the present value of the payments we will make pursuant to the contracts to purchase our common stock referred to under Use of Proceeds.

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DESCRIPTION OF NOTES

This description of the terms of the notes adds information to the description of the general terms and provisions of debt securities in the accompanying prospectus. If this description differs in any way from the description in the accompanying prospectus, you should rely on this description.

General

We will issue the notes under an indenture between us and JPMorgan Chase Bank, as trustee, dated as of November 15, 1985, as supplemented by a first supplemental indenture dated as of May 31, 1990, and a second supplemental indenture dated as of July 15, 1993. The indenture is more fully described in the accompanying prospectus under Description of M&I Senior and Subordinated Debt Securities.

The notes are our unsecured and unsubordinated obligations, are not deposits, savings accounts or other obligations of any bank or savings association, and will rank prior to all of our subordinated indebtedness and on an equal basis with all of our other senior unsecured indebtedness.

The principal of the notes is due and payable on August 1, 2009.

The notes are being issued initially in an aggregate principal amount of \$600,000,000. We may from time to time, without notice to or the consent of the registered holders of the notes, create and issue further notes that will be a part of the same series as the notes and rank on an equal basis with the notes in all respects. Such further notes, if issued, will have the same terms as the notes being offered hereby (except for the price to public and issue date). The indenture does not limit the amount of senior indebtedness or other obligations we may issue.

The notes will be issued in the form of one or more fully registered global securities in denominations of \$1,000 or integral multiples of \$1,000.

Marshall & Ilesley Corporation is a legal entity separate and distinct from its subsidiaries. Our principal source of funds to pay dividends on our capital stock and interest on our debt is dividends from our subsidiaries. Various federal and state statutes and regulations restrict the amount of dividends our subsidiaries may pay to us. Our subsidiaries are not obligated to make required payments on our debt or other securities. Accordingly, our rights and the rights of holders of our debt and other securities to participate in any distribution of the assets or income from any subsidiary is necessarily subject to the prior claims of creditors of the subsidiary. In addition, our bank and savings association subsidiaries hold a significant portion of their mortgage and investment portfolios indirectly through their ownership interest in direct and indirect subsidiaries. The ability of our bank and savings association subsidiaries to participate in any distribution of the assets or income of the direct or indirect subsidiaries is likewise subject to the prior claims of creditors of those direct and indirect subsidiaries.

Interest

Payment of Interest

We will pay interest on the notes semi-annually on February 1 and August 1 of each year, commencing February 1, 2005 and on the maturity date, in each case, to the persons in whose names the notes are registered at the close of business on the 15th calendar day (whether or not a business day) immediately preceding the related interest payment date; provided, however, that interest payable on the maturity date shall be payable to the person to whom the principal of such notes shall be payable. Interest on the notes will be computed on the basis of a 360-day year comprised of twelve 30-day months.

We will pay the principal of and interest on each note to the registered holder in immediately available funds upon presentation of the notes, if in certificated form, at the office or agency we maintain for this purpose

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in the City of Milwaukee, in any coin or currency of the United States of America which at the time of payment is legal tender for payment of public and private debts; *provided, however*, that payment of interest may be made at our option by check mailed to the registered holder at the close of business on the regular record date at such address as shall appear in the security register or by wire transfer of immediately available funds to an account specified in writing by such holder to us and the trustee prior to the relevant record date. Notwithstanding anything to the contrary in this prospectus supplement or the accompanying prospectus, so long as the notes are in book-entry form, we will make payments of principal and interest through the trustee to DTC.

Interest payable on any interest payment date or the maturity date shall be the amount of interest accrued from, and including, the next preceding interest payment date in respect of which interest has been paid or duly provided for (or from and including the original issue date, if no interest has been paid or duly provided for with respect to the notes) to, but excluding, such interest payment date or maturity date, as the case may be. If any interest payment date (other than the maturity date) would otherwise be a day that is not a business day, such interest payment date will be postponed to the next succeeding day that is a business day. If the maturity date of the notes falls on a day that is not a business day, the related payment of principal and interest will be made on the next succeeding business day as if it were made on the date such payment was due, and no interest will accrue on the amounts so payable for the period from and after such date to the next succeeding business day.

By business day we mean a day which is not a day when banking institutions in The City of New York are authorized or required by law or regulation to be closed.

Rate of Interest

The notes will bear interest at the rate of 4.375% per annum beginning July 29, 2004.

Redemption

We may not redeem the notes prior to maturity. There is no sinking fund for the notes.

Book-Entry, Delivery and Form

We will issue the notes in the form of one or more fully registered global securities, or the global notes, in denominations of \$1,000 or integral multiples of \$1,000. We will deposit the notes with, or on behalf of, The Depository Trust Company, New York, New York, or DTC, as the depository, and will register the notes in the name of Cede & Co., DTC's nominee. Your beneficial interests in the global notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Except as set forth below, the global notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee.

As long as the notes are represented by the global notes, we will pay principal of and interest on the notes to or as directed by DTC as the registered holder of the global notes. Payments to DTC will be in immediately available funds by wire transfer. DTC will credit the relevant

accounts of their participants on the applicable date.

DTC has advised us that it is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code, and a clearing agency registered pursuant to the provisions of Section 17A of the U.S. Securities Exchange Act of 1934, as amended, or the Exchange Act. DTC holds securities deposited with it by its participants and facilitates the settlement of transactions among its participants in such securities through electronic computerized book-entry changes in accounts of the participants, thereby eliminating the need for physical movement of securities

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certificates. DTC's participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations, some of whom (and/or their representatives) own DTC. Access to DTC's book-entry system is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly.

According to DTC, the foregoing information with respect to DTC has been provided to the financial community for informational purposes only and is not intended to serve as a representation, warranty or contract modification of any kind.

Following the issuance of a global security in registered form, the depositary will credit the accounts of its participants with the notes upon our instructions. Only persons who hold directly or indirectly through financial institutions that are participants in the depositary can hold beneficial interests in the global securities. Since the laws of some jurisdictions require certain types of purchasers to take physical delivery of such securities in definitive form, you may encounter difficulties in your ability to own, transfer or pledge beneficial interests in a global security.

So long as the depositary or its nominee is the registered owner of a global security, we and the trustee will treat the depositary as the sole owner or holder of the notes for purposes of the indenture. Therefore, except as set forth below, you will not be entitled to have notes registered in your name or to receive physical delivery of certificates representing the notes. Accordingly, you will have to rely on the procedures of the depositary and the participant in the depositary through whom you hold your beneficial interest in order to exercise any rights of a holder under the indenture. We understand that under existing practices, the depositary would act upon the instructions of a participant or authorize that participant to take any action that a holder is entitled to take.

We will make all payments of principal, premium and interest on the notes to the depositary. We expect that the depositary will then credit participants' accounts proportionately with these payments on the payment date and that the participants will in turn credit their customers in accordance with their customary practices. Neither we nor the trustee will be responsible for making any payments to participants or customers of participants or for maintaining any records relating to the holdings of participants and their customers, and you will have to rely on the procedures of the depositary and its participants.

Global certificates are generally not transferable. We will issue physical certificates to beneficial owners of a global note if:

the depositary notifies us that it is unwilling or unable to continue as depositary and we do not appoint a successor within 90 days;

the depositary ceases to be a clearing agency registered under the Exchange Act and we do not appoint a successor within 90 days; or

we decide in our sole discretion that we do not want to have the notes of that series represented by global certificates.

Global Clearance and Settlement Procedures

You will be required to make your initial payment for the notes in immediately available funds. Secondary market trading between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled in immediately available funds using DTC's Same-Day Funds Settlement System.

Although DTC has agreed to the foregoing procedures in order to facilitate transfers of notes among participants of DTC, it is under no obligation to perform or continue to perform such procedures and such procedures may be discontinued at any time.

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Definitive Notes

If any of the events described under the last paragraph under "Book Entry, Delivery and Form" occurs, we will issue definitive notes in certificated form in an amount equal to a holder's beneficial interest in the notes. Definitive notes will be issued in denominations of \$1,000 or integral multiples of \$1,000, and will be registered in the name of the person DTC specifies in a written instruction to the registrar of the notes.

In the event definitive notes are issued:

holders of definitive notes will be able to receive payments of principal and interest on their notes at the office of our paying agent, M&I Marshall & Ilsley Bank, maintained in Milwaukee, Wisconsin;

holders of definitive notes will be able to transfer their notes, in whole or in part, by surrendering the notes for registration of transfer at the office of JPMorgan Chase Bank. We will not charge any fee for the registration or transfer or exchange, except that we may require the payment of a sum sufficient to cover any applicable tax or other governmental charge payable in connection with the transfer; and

any moneys we pay to our paying agents for the payment of principal and interest on the notes which remains unclaimed at the second anniversary of the date such payment was due will be returned to us, and thereafter holders of definitive notes may look only to us, as general unsecured creditors, for payment.

Notices

Notices to holders of the notes will be made by first class mail, postage prepaid, to the registered holders.

Governing Law

The indenture and the notes will be governed by and construed in accordance with the laws of the State of New York.

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CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following discussion summarizes certain U.S. federal income tax considerations that may be relevant to you if you invest in the notes. This summary deals only with holders that hold notes as capital assets. It does not address considerations that may be relevant to you if you are an investor that is subject to special tax rules, such as a bank, thrift, real estate investment trust, regulated investment company, insurance company, dealer in securities or currencies, trader in securities or commodities that elects mark to market treatment, person that will hold notes as a hedge against currency risk or as a position in a straddle or conversion transaction, tax-exempt organization or person whose functional currency is not the U.S. dollar.

This summary is based on laws, regulations, rulings and decisions now in effect, all of which may change. Any change could apply retroactively and could affect the continued validity of this summary.

You should consult your tax adviser about the tax consequences of holding notes, including the relevance to your particular situation of the considerations discussed below, as well as the relevance to your particular situation of state, local or other tax laws.

You are a U.S. holder if you are an individual who is a citizen or resident of the United States, a U.S. domestic corporation, or any other person that is subject to U.S. federal income tax on a net income basis in respect of an investment in the notes. You are a non-U.S. holder if you are not a U.S. person for U.S. federal income tax purposes.

U.S. Holder

Payments or Accruals of Interest. Payments or accruals of interest on a note will generally be taxable to you as ordinary interest income at the time that you receive or accrue such amounts in accordance with your regular method of tax accounting.

Purchase, Sale and Retirement of Notes. When you sell or exchange a note, or if a note that you hold is retired, you generally will recognize gain or loss equal to the difference between the amount you realize on the transaction (less any accrued interest, which will be subject to tax in the manner described above under *Payments or Accruals of Interest*) and your adjusted tax basis in the note. Your adjusted tax basis in a note generally will equal the cost of the note to you.

The gain or loss that you recognize on the sale, exchange or retirement of a note generally will be capital gain or loss. The gain or loss on the sale, exchange or retirement of a note will be long-term capital gain or loss if you have held the note for more than one year on the date of disposition. Net long-term capital gain recognized by an individual U.S. holder generally is taxed at lower rates than ordinary income or short-term capital gain. The ability of U.S. holders to offset capital losses against ordinary income is limited.

Non-U.S. Holder

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Under present U.S. federal income tax law, and subject to the discussion below concerning backup withholding, payments to you of principal and interest on a note will not be subject to the 30% U.S. federal withholding tax, provided that:

you do not actually or constructively own 10% or more of the total combined voting power of all classes of our stock entitled to vote and are not a controlled foreign corporation related to us through stock ownership; and

you provide a statement signed under penalties of perjury that includes your name and address and certify that you are a non-U.S. holder in compliance with applicable requirements by completing a Form W-8BEN, or otherwise satisfy documentary evidence requirements for establishing that you are a non-U.S. holder.

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You will not be subject to U.S. federal income tax on any gain realized on the sale, exchange or retirement of the note unless the gain is effectively connected with your trade or business in the United States or, if you are an individual, you are present in the United States for 183 days or more in the taxable year in which the sale, exchange or retirement occurs and certain other conditions are met. If you are subject to U.S. federal income taxation on a net basis in respect of the note, you will generally be taxable under the same rules that govern the taxation of a U.S. holder.

Information Reporting and Backup Withholding

The paying agent must file information returns with the U.S. Internal Revenue Service in connection with note payments made to certain U.S. holders. If you are a U.S. holder, you generally will not be subject to U.S. backup withholding tax on such payments if you provide your taxpayer identification number to the paying agent. You may also be subject to information reporting and backup withholding tax requirements with respect to the proceeds from a sale of the notes.

If you are not a non-U.S. holder, you may have to comply with certification procedures to establish that you are a non-U.S. holder in order to avoid information reporting and backup withholding tax requirements.

Information reporting and backup withholding requirements will not apply to any payment of the proceeds of the sale of a note effected outside the United States by a foreign office of a foreign broker, provided that such broker:

derives less than 50% of its gross income for a particular period from the conduct of a trade or business in the United States;

is not a controlled foreign corporation for U.S. federal income tax purposes; and

is not a foreign partnership that, at any time during its taxable year, is 50% or more, by income or capital interest, owned by U.S. holders or is engaged in the conduct of a U.S. trade or business.

Payment of the proceeds of the sale of a note effected outside the United States by a foreign office of any other broker will not be subject to backup withholding tax, but will be subject to information reporting requirements unless such broker has documentary evidence in its records that the beneficial owner is a non-U.S. holder and certain other conditions are met, or the beneficial owner otherwise establishes an exemption. Payment of the proceeds of a sale of a note by the U.S. office of a broker will be subject to information reporting requirements and backup withholding tax unless the beneficial owner certifies its non-U.S. holder status under penalties of perjury or otherwise establishes an exemption.

Any amounts withheld under the backup withholding rules may be allowed as a credit against the holder's U.S. federal income tax liability and may entitle the holder to a refund, provided that the required information is furnished to the U.S. Internal Revenue Service.

Table of Contents**UNDERWRITING**

Subject to the terms and conditions set forth in the underwriting agreement dated the date of this prospectus supplement, each of the underwriters named below severally agreed to purchase, and we have agreed to sell to each underwriter, the principal amount of notes set forth opposite the name of each underwriter:

| <u>Underwriter</u> | <u>Principal Amount</u> |
|------------------------------------|--------------------------------|
| Credit Suisse First Boston LLC | \$ 300,000,000 |
| Lehman Brothers Inc. | 180,000,000 |
| Robert W. Baird & Co. Incorporated | 60,000,000 |
| UBS Investment Bank | 60,000,000 |
| Total | \$ 600,000,000 |

Under the terms and conditions of the underwriting agreement, if the underwriters take any of the notes, then they are obligated to take and pay for all of the notes. The underwriting agreement provides that, if an underwriter defaults on its obligation to purchase notes, the purchase commitments of the non-defaulting underwriters may be increased or the offering of the notes terminated.

The notes are a new issue of securities with no established trading market and will not be listed on any national securities exchange or included for quotation on any automated quotation system. The underwriters have advised us that they intend to make a market in the notes, but they have no obligation to do so and may discontinue market making at any time without providing any notice. No assurance can be given that a trading market for the notes will develop or as to the liquidity of any trading market for the notes that may develop.

The underwriters initially propose to offer the notes to investors at the offering price described on the cover page of this prospectus supplement and may offer the notes to certain dealers at that price less a selling concession of 0.200% of the principal amount of the notes. The underwriters and certain dealers may allow a discount not in excess of 0.125% of the principal amount of the notes to certain other dealers. After the initial offering of the notes, the underwriters may from time to time vary the offering price and other selling terms.

We have also agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended, or to contribute to payments which the underwriters may be required to make in respect of any such liabilities.

In connection with the offering of the notes, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the notes. Specifically, the underwriters may over allot in connection with the offering of the notes, creating a short position. In addition, the underwriters may bid for, and purchase, notes in the open market to cover short positions or to stabilize the price of the notes. Finally, the underwriting syndicate may reclaim selling concessions allowed for distributing the notes in this offering, if the syndicate repurchases previously distributed notes in syndicate covering transactions, stabilization transactions or otherwise. Any of these activities may stabilize or maintain the market price of the notes above independent market levels. The underwriters are not required to engage in any of these activities, and may end any of them at any time.

Our expenses (excluding underwriting discounts) associated with this offering, to be paid by us, are estimated to be \$0.6 million.

Credit Suisse First Boston LLC, or CSFB, and Lehman Brothers Inc., or Lehman, will make the notes available for distribution on the Internet through a proprietary web site and/or a third-party system operated by MarketAxess Corporation, an Internet-based communications technology provider. MarketAxess Corporation is providing the system as a conduit for communications between CSFB, Lehman and their respective customers

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and is not a party to any transactions. MarketAxess Corporation, a registered broker-dealer, will receive compensation from CSFB and Lehman based on transactions CSFB and Lehman conduct through the system. CSFB and Lehman will make the notes available to their respective customers through the Internet distributions, whether made through a proprietary or third-party system, on the same terms as distributions made through other channels.

In the ordinary course of their respective businesses, certain of the underwriters or their affiliates have engaged, and may in the future engage, in commercial banking and/or investment banking transactions with us and our affiliates for which they have received and may in the future receive compensation. CSFB is an underwriter in our offering of Common SPACES described in Use of Proceeds.

NOTICE TO CANADIAN RESIDENTS

Resale Restrictions

The distribution of the notes in Canada is being made only on a private placement basis exempt from the requirement that we prepare and file a prospectus with the securities regulatory authorities in each province where trades of notes are made. Any resale of the notes in Canada must be made under applicable securities laws which will vary depending on the relevant jurisdiction, and which may require resales to be made under available statutory exemptions or under a discretionary exemption granted by the applicable Canadian securities regulatory authority. Purchasers are advised to seek legal advice prior to any resale of the notes.

Representations of Purchasers

By purchasing notes in Canada and accepting a purchase confirmation a purchaser is representing to us and the dealer from whom the purchase confirmation is received that:

the purchaser is entitled under applicable provincial securities laws to purchase the notes without the benefit of a prospectus qualified under those securities laws,

where required by law, that the purchaser is purchasing as principal and not as agent, and

the purchaser has reviewed the text above under Resale Restrictions.

Rights of Action – Ontario Purchasers Only

Under Ontario securities legislation, a purchaser who purchases a security offered by this prospectus during the period of distribution will have a statutory right of action for damages, or while still the owner of the notes, for rescission against us in the event that this circular contains a misrepresentation. A purchaser will be deemed to have relied on the misrepresentation. The right of action for damages is exercisable not later

than the earlier of 180 days from the date the purchaser first had knowledge of the facts giving rise to the cause of action and three years from the date on which payment is made for the notes. The right of action for rescission is exercisable not later than 180 days from the date on which payment is made for the notes. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against us. In no case will the amount recoverable in any action exceed the price at which the notes were offered to the purchaser and if the purchaser is shown to have purchased the securities with knowledge of the misrepresentation, we will have no liability. In the case of an action for damages, we will not be liable for all or any portion of the damages that are proven to not represent the depreciation in value of the notes as a result of the misrepresentation relied upon. These rights are in addition to, and without derogation from, any other rights or remedies available at law to an Ontario purchaser. The foregoing is a summary of the rights available to an Ontario purchaser. Ontario purchasers should refer to the complete text of the relevant statutory provisions.

Enforcement of Legal Rights

All of our directors and officers as well as the experts named herein may be located outside of Canada and, as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon us or

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those persons. All or a substantial portion of our assets and the assets of those persons may be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against us or those persons in Canada or to enforce a judgment obtained in Canadian courts against us or those persons outside of Canada.

Taxation and Eligibility for Investment

Canadian purchasers of notes should consult their own legal and tax advisors with respect to the tax consequences of an investment in the notes in their particular circumstances and about the eligibility of the notes for investment by the purchaser under relevant Canadian legislation.

LEGAL MATTERS

The legality of the notes will be passed upon for us by Godfrey & Kahn, S.C., Milwaukee, Wisconsin, and certain other matters will be passed upon for the underwriters by Mayer, Brown, Rowe & Maw LLP, Chicago, Illinois. Godfrey & Kahn, S.C. may rely upon Mayer, Brown, Rowe & Maw LLP as to matters of New York law. Mayer, Brown, Rowe & Maw LLP from time to time has represented us on various matters and may in the future continue to do so.

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PROSPECTUS

\$3,000,000,000

MARSHALL & ILSLEY CORPORATION

| | | |
|------------------------------|---|--|
| Debt Securities | Trust Preferred Securities | Debt Securities |
| Common Stock | | |
| Preferred Stock | of | of |
| Depositary Shares | | |
| Purchase Contracts | M&I CAPITAL TRUST B | M&I CAPITAL B LLC |
| Units | M&I CAPITAL TRUST C | M&I CAPITAL C LLC |
| Warrants | M&I CAPITAL TRUST D | M&I CAPITAL D LLC |
| | M&I CAPITAL TRUST E | M&I CAPITAL E LLC |
| of | | |
| | Guaranteed to the extent set forth | Guaranteed |
| MARSHALL & ILSLEY | herein by | as described herein by |
| CORPORATION | Marshall & Ilsley Corporation | Marshall & Ilsley Corporation |

We will provide the specific terms of these securities in supplements to this prospectus. You should read this prospectus and the applicable prospectus supplement carefully before you invest.

Our common stock is listed on the New York Stock Exchange under the symbol MI.

The aggregate initial offering price of common stock that we may offer pursuant to this prospectus will not exceed \$500,000,000, excluding common stock which may be issued upon conversion, exchange or exercise of any of the other securities listed above.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The debt securities are not deposits or other obligations of any bank or savings association and are not insured by the Federal Deposit Insurance Corporation, the Bank Insurance Fund or any other governmental agency.

This prospectus is dated June 25, 2004.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that Marshall & Ilsley Corporation, M&I Capital Trust B, M&I Capital Trust C, M&I Capital Trust D and M&I Capital Trust E, or the trusts, and M&I Capital B LLC, M&I Capital C LLC, M&I Capital D LLC and M&I Capital E LLC, or the LLCs, filed with the Securities and Exchange Commission using a shelf registration process. Under this shelf registration process, we may sell any combination of the securities described in this prospectus in one or more offerings up to a total dollar amount of \$3,000,000,000.

This prospectus provides you with a general description of the securities we, the trusts and the LLCs may issue. Each time we sell securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. Such prospectus supplement may also add, update or change information contained in this prospectus. If there is any inconsistency between the information in the prospectus and the applicable prospectus supplement, you should rely on the information in the prospectus supplement. You should read this prospectus and the applicable prospectus supplement together with the additional information described under the heading **Where You Can Find More Information**.

The registration statement that contains this prospectus, including the exhibits to the registration statement, contains additional information about us, the trusts and the LLCs and the securities offered under this prospectus. You can find the registration statement at the Securities and Exchange Commission's, or the SEC, website or at the SEC office mentioned under the heading **Where You Can Find More Information**.

When we refer to M&I, we, our or us in this prospectus under the headings **Marshall & Ilsley Corporation** and **Ratio of Earnings to Fixed Charges**, we mean Marshall & Ilsley Corporation and its subsidiaries unless the context indicates otherwise. When we refer to we, our or us in this prospectus in this section or under the heading **Where You Can Find More Information**, we mean each of M&I, the trusts and the LLCs as applicable. When such terms are used elsewhere in this prospectus, we refer only to Marshall & Ilsley Corporation unless the context indicates otherwise.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports and proxy statements and other information with the SEC. Our SEC filings are available over the Internet at our website at <http://www.micorp.com> or at the SEC's website at <http://www.sec.gov>. You may also read and copy any document we file at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for more information on the SEC's public reference room. You may also inspect our reports at the New York Stock Exchange, 20 Broad Street, New York, New York 10005. Information contained on our website is not a part of this prospectus.

For further information about us and the securities we are offering, you should refer to our registration statement and its exhibits. This prospectus summarizes material provisions of contracts and other documents that we refer you to. Since the prospectus may not contain all the information that you may find important, you should review the full text of these documents.

We incorporate by reference into this prospectus the information we file with the SEC, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus. Some information contained in this prospectus updates the information incorporated by reference, and information that we file subsequently with the SEC will automatically update this prospectus. In other words, in the case of a conflict or inconsistency between information set forth in this prospectus and/or information incorporated by reference into this prospectus, you should rely on the

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information contained in the document that was filed later. We incorporate by reference the following documents (excluding any portions of such documents that have been furnished but not filed for purposes of the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act):

Our annual report on Form 10-K for the year ended December 31, 2003;

Our quarterly report on Form 10-Q for the quarterly period ended March 31, 2004;

Our current reports on Form 8-K dated April 13, 2004 and May 17, 2004; and

The description of our common stock contained in the registration statement on Form 8-A filed pursuant to Section 12 of the Exchange Act on October 18, 1999, including any amendment or report filed with the SEC for the purpose of updating this description.

We also incorporate by reference reports we file in the future under Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act (excluding any portions of any such documents that are furnished but not filed for purposes of the Exchange Act), including reports filed after the date of the initial filing of the registration statement and before the effectiveness of the registration statement, until we sell all of the securities offered by this prospectus or terminate this offering.

You may request a copy of any of the documents referred to above, other than an exhibit to a filing unless that exhibit is specifically incorporated by reference into that filing, at no cost, by contacting us in writing or by telephone at:

Secretary

Marshall & Ilsley Corporation

770 North Water Street

Milwaukee, Wisconsin 53202

Phone: (414) 765-7801

You should rely only on the information incorporated by reference or presented in this prospectus or the applicable prospectus supplement. Neither we, nor any underwriters or agents, have authorized anyone else to provide you with different information. We may only use this prospectus to sell securities if it is accompanied by a prospectus supplement. We are only offering these securities in states where the offer is permitted. You should not assume that the information in this prospectus or the applicable prospectus supplement is accurate as of any date other than the dates on the front of those documents.

FORWARD-LOOKING STATEMENTS

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Statements included or incorporated by reference in this prospectus and the applicable prospectus supplement which are not historical are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The forward-looking statements include: (1) statements made in our annual report on Form 10-K for the year ended December 31, 2003 under Item 1, Business, and Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, including, without limitation, statements with respect to internal growth plans, projected revenues, margin improvement, future acquisitions, capital expenditures and adequacy of capital resources; (2) statements included or incorporated by reference in our future filings with the SEC; and (3) information contained in written material, releases and oral statements issued by, or on behalf of, us including, without limitation, statements with respect to projected revenues, costs, earnings and earnings per share. Forward-looking statements also include statements regarding the intent, belief or current expectation of M&I and its officers. Forward-looking statements include statements preceded by, followed by or that include forward-looking terminology such as may, will, should, believes, expects, anticipates, estimates, continues or similar expressions.

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All forward-looking statements included or incorporated by reference in this prospectus and the applicable prospectus supplement are based on information available to us as of the date of this prospectus or the applicable prospectus supplement. We do not undertake to update any forward-looking statements that may be made by or on behalf of us in this prospectus, the applicable prospectus supplement or otherwise. Our actual results may differ materially from those contained in the forward-looking statements identified above. Factors which may cause such a material difference to occur include, but are not limited to, the factors listed under the heading "Forward-Looking Statements" in Item 1, Business, of our annual report on Form 10-K for the year ended December 31, 2003, and the factors listed at the end of Exhibit 99.1 of our current report on Form 8-K dated May 17, 2004.

MARSHALL & ILSLEY CORPORATION

Marshall & Ilesley Corporation, incorporated in Wisconsin in 1959, is a registered bank holding company under the Bank Holding Company Act of 1956 and is certified as a financial holding company under the Gramm-Leach-Bliley Act of 1999. As of March 31, 2004, we had consolidated total assets of approximately \$35.5 billion and consolidated total deposits of approximately \$23.2 billion, making us the largest bank holding company headquartered in Wisconsin. Our executive offices are located at 770 North Water Street, Milwaukee, Wisconsin 53202 (telephone number (414) 765-7801).

Our principal assets are the stock of our bank and nonbank subsidiaries, which, as of March 31, 2004, included Metavante Corporation, five bank and trust subsidiaries and a number of companies engaged in businesses that the Board of Governors of the Federal Reserve System (commonly referred to as the "Federal Reserve Board") has determined to be closely-related or incidental to the business of banking. We provide our subsidiaries with financial and managerial assistance in such areas as budgeting, tax planning, auditing, compliance assistance, asset and liability management, investment administration and portfolio planning, business development, advertising and human resources management.

Generally, we organize our business segments based on legal entities. Each entity offers a variety of products and services to meet the needs of its customers and the particular market served. Based on the way we organize our business, we have two reportable segments: Banking and Data Services (or Metavante). Banking consists of accepting deposits, making loans and providing other services such as cash management, foreign exchange and correspondent banking to a variety of commercial and retail customers. Data Services consists of providing data processing services, developing and selling software and providing consulting services to financial services companies, including our affiliates, as well as providing credit card merchant services. Our primary other business segments include Trust Services, Mortgage Banking (residential and commercial), Capital Markets Group, Brokerage and Insurance Services, and Commercial Leasing.

Marshall & Ilesley Corporation is a legal entity separate and distinct from its subsidiaries. Our principal source of funds to pay dividends on our capital stock and interest on our debt is dividends from our subsidiaries. Various federal and state statutes and regulations restrict the amount of dividends our subsidiaries may pay to us. Our subsidiaries are not obligated to make required payments on our debt or other securities. Accordingly, our rights and the rights of holders of our debt and other securities to participate in any distribution of the assets or income from any subsidiary is necessarily subject to the prior claims of creditors of the subsidiary. In addition, our bank and savings association subsidiaries hold a significant portion of their mortgage and investment portfolios indirectly through their ownership interest in direct and indirect subsidiaries. The ability of our bank and savings association subsidiaries to participate in any distribution of the assets or income of the direct or indirect subsidiaries is likewise subject to the prior claims of creditors of those direct and indirect subsidiaries.

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THE TRUSTS

Each trust is a statutory trust formed under Delaware law pursuant to a trust agreement, signed by M&I, as sponsor of the trust, and the Delaware trustee, as defined below, and the filing of a certificate of trust with the Delaware Secretary of State. The trust agreement of the applicable trust will be amended and restated in its entirety by M&I, the Delaware trustee, the property trustee and the administrative trustees, each as defined below, before the issuance of trust preferred securities by such trust. We will refer to such trust agreement, as so amended and restated, as the trust agreement. Each trust agreement will be qualified as an indenture under the Trust Indenture Act of 1939 (which we refer to as the Trust Indenture Act).

Each trust exists for the exclusive purposes of:

issuing the trust preferred securities and common securities, or the trust securities, representing undivided beneficial interests in the assets of such trust;

investing the gross proceeds of the trust securities in junior subordinated debt securities of M&I or debt securities of one of the LLCs that are guaranteed on a junior subordinated basis by M&I; and

engaging in only those activities necessary or incidental thereto.

All of the common securities of the trusts will be owned by us, either directly or indirectly, including through any intermediate LLC. The common securities of a trust rank equally with the trust preferred securities of such trust and a trust will make payment on its trust securities pro rata, except that upon certain events of default under the applicable trust agreement relating to payment defaults on the corresponding debt securities, the rights of the holders of the common securities to payment in respect of distributions and payments upon liquidation, redemption and otherwise will be subordinated to the rights of the holders of the trust preferred securities. We will acquire common securities of a trust in an aggregate liquidation amount equal to at least three percent of the total capital of such trust.

Each trust's business and affairs will be conducted by its trustees, each appointed by M&I as sponsor of such trust. The trustees will be The Bank of New York (Delaware) which is referred to as the Delaware trustee, two or more individual trustees, who are referred to as the administrative trustees and who are employees or officers of or affiliated with M&I, and a property trustee, who will be named in the applicable prospectus supplement. The property trustee will act as sole trustee under each trust agreement for purposes of compliance with the Trust Indenture Act and will also act as trustee under the trust preferred securities guarantees. See Description of Trust Preferred Securities Guarantees.

Unless an event of default under the indenture has occurred and is continuing, the holders of the common securities will be entitled to appoint, remove or replace the property trustee and/or the Delaware trustee. The holders of a majority in liquidation amount of trust preferred securities of such trust will be entitled to appoint, remove or replace the property trustee and/or the Delaware trustee for cause or if an event of default under the indenture has occurred and is continuing. The right to vote to appoint, remove or replace the administrative trustees is vested exclusively in the holders of the common securities, and in no event will the holders of trust preferred securities have such right.

The trusts are finance subsidiaries of M&I within the meaning of Rule 3-10 of Regulation S-X under the Securities Act. As a result, no separate financial statements of the trusts are included in the registration statement that contains this prospectus, and we do not expect that the trusts will file reports with the SEC under the Exchange Act.

Unless otherwise specified in the applicable prospectus supplement, each trust has a term of approximately 50 years, but may be terminated earlier as provided in the applicable trust agreement.

M&I will pay all fees and expenses related to the trusts and the offering of trust securities.

The principal executive office of each trust is c/o Marshall & Ilsley Corporation, 770 North Water Street, Milwaukee, Wisconsin 53202, telephone number (414) 765-7801.

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THE LLCs

Each LLC is a limited liability company formed under the Delaware Limited Liability Company Act, as amended, pursuant to an initial limited liability agreement entered into by M&I, as the sole member, and by filing a certificate of formation with the Delaware Secretary of State. The initial limited liability agreement of the applicable LLC will be amended and restated in its entirety before the issuance of any debt securities by such LLC, each referred to herein as an LLC agreement.

Each LLC exists for the exclusive purposes of:

issuing its company common securities to M&I;

issuing debt securities that are guaranteed by M&I on a junior subordinated basis as described herein and investing the gross proceeds of such issuances in preferred or common stock or debt of M&I; and

engaging in only those activities necessary or incidental thereto.

The LLC agreement for each LLC will provide that:

any debt securities issued by the LLC will be fully and unconditionally guaranteed on a junior subordinated basis by M&I, its parent;

the debt securities may only be converted or exchanged into common or preferred stock of M&I;

the LLC must invest in securities of or loan to M&I or companies controlled by M&I at least 85% of any cash or cash equivalent raised by the LLC through its offering of debt securities within six months of receipt; and

all voting securities of the LLC must be held directly or indirectly by M&I.

The LLCs are finance subsidiaries of M&I within the meaning of Rule 3-10 of Regulation S-X under the Securities Act. As a result, no separate financial statements of the LLCs are included in the registration statement that contains this prospectus, and we do not expect that the LLCs will file reports with the SEC under the Exchange Act.

M&I will pay all fees and expenses related to the LLCs.

The principal executive office of each LLC is c/o Marshall & Ilsley Corporation, 770 North Water Street, Milwaukee, Wisconsin 53202, telephone number (414) 765-7801.

Table of Contents**USE OF PROCEEDS**

Unless we indicate a different use in an accompanying prospectus supplement, the net proceeds from the sale of the offered securities will be added to our general funds and may be used for:

debt reduction or debt refinancing, including the refinancing of our outstanding commercial paper;

investments in or advances to subsidiaries;

acquisitions of bank and non-bank subsidiaries;

repurchase of shares of our common stock or other securities; and

other general corporate purposes.

Until the net proceeds have been used, they may be temporarily invested in securities or held in deposits of our affiliated banks.

Each trust will use the proceeds from the sale of its trust preferred securities and its common securities either to acquire junior subordinated debt securities from M&I or debt securities from an LLC. Each LLC will use the proceeds from the sale of its debt securities to acquire common or preferred stock or debt of M&I.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our consolidated ratio of earnings to fixed charges on a historical basis for the periods indicated. For purposes of computing the ratio of earnings to fixed charges, earnings represent income before taxes and fixed charges. Fixed charges, excluding interest on deposits, consist of interest expense and one-third of rental expense for all operating leases, which we believe to be representative of the interest portion of rent expense. Fixed charges, including interest on deposits, consist of interest expense, one third of rental expense and interest on deposits.

| | Three Months Ended March 31, 2004 | Years Ended December 31, | | | | |
|--|--|--------------------------|-------|-------|-------|-------|
| | | 2003 | 2002 | 2001 | 2000 | 1999 |
| Ratio of earnings to fixed charges: | | | | | | |
| Excluding interest on deposits | 4.64x | 3.84x | 3.38x | 2.56x | 2.46x | 3.38x |
| Including interest on deposits | 2.90x | 2.53x | 2.23x | 1.56x | 1.43x | 1.65x |

DESCRIPTION OF M&I SENIOR AND SUBORDINATED DEBT SECURITIES

This section describes the general terms and provisions of our senior debt securities and subordinated debt securities, which are sometimes referred to in this section as debt securities. Our junior subordinated debt securities are described under Description of M&I Junior Subordinated Debt Securities. The applicable prospectus supplement will describe the specific terms of the series of debt securities offered through that prospectus supplement and any general terms outlined in this section that will not apply to those debt securities.

The senior debt securities will be issued under an indenture between us and JPMorgan Chase Bank, as trustee, dated as of November 15, 1985, as supplemented by a first supplemental indenture dated as of May 31, 1990, and a second supplemental indenture dated as of July 15, 1993. The subordinated debt securities will be issued under an indenture dated July 15, 1993 between us and JPMorgan Chase Bank, as trustee. Copies of the indentures have been filed as exhibits to the registration statement of which this prospectus forms a part.

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We have summarized the material terms and provisions of the indentures in this section. You should read the indentures for provisions that may be important to you.

The indentures under which the debt securities will be issued do not limit the amount of debt which we or our subsidiaries may incur.

Terms of the Securities

The debt securities will not be secured by any of our assets. The indentures do not limit the amount of debt securities that we may issue and provide that we may issue debt securities from time to time in one or more series. The indentures do not limit the principal amount of any particular series of debt securities. The senior debt securities will rank equally with all of our other unsecured and unsubordinated indebtedness. The subordinated debt securities will be subordinate to the prior payment in full of any of our senior indebtedness.

Each prospectus supplement will specify the particular terms of the debt securities offered. These terms may include:

the title of the debt securities;

any limit on the aggregate principal amount of debt securities of that series;

the date or dates on which the debt securities will mature;

the interest rate or rates of the debt securities, if any, and the date or dates from which interest will accrue;

the interest payment dates, the dates on which payment of any interest will begin and the regular record dates;

whether payment of interest will be contingent in any respect and/or the interest rate reset;

any remarketing or extension features of the debt securities;

any mandatory or optional redemption provisions applicable to the debt securities;

any mandatory or optional sinking fund or similar provisions applicable to the debt securities;

whether the debt securities are senior debt securities or subordinated debt securities;

the terms on which the debt securities may be repayable before final maturity;

the portion of the principal amount payable upon acceleration of maturity;

events of default;

if other than U.S. dollars, the currency or currencies in which payments on the debt securities will be payable;

whether the debt securities will be issuable only in global form, which is known as a global security, and, if so, the name of the depository for the global security and the circumstances under which the global security may be registered for transfer or exchange in the name of the person other than the depository; and

any other specific terms of the debt securities.

Where appropriate, the applicable prospectus supplement will describe the United States federal income tax considerations relevant to the debt securities.

Some of the debt securities may be issued as original issue discount securities. Original issue discount securities bear no interest or bear interest at below-market rates and will be sold at a discount below their stated

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principal amount. Any applicable prospectus supplement will also contain any special United States federal income tax or other information relating to original issue discount securities.

Subordination of Subordinated Debt Securities

The subordinated debt securities will be subordinate to all of our senior indebtedness. Senior indebtedness includes any of our obligations to our creditors, other than:

any of our obligations that expressly provide that they are not senior indebtedness;

any subordinated debt securities issued under the subordinated indenture;

any junior subordinated debt securities issued under the junior subordinated indenture; and

our guarantees and related obligations in connection with our trust preferred securities.

If we fail to pay principal, premium or interest on any of our senior indebtedness when the payment is due and payable, then, unless and until the default is cured or waived or ceases to exist, we will not make, or agree to make, any direct or indirect payment of principal, premium or interest on the subordinated debt securities. We will pay all senior indebtedness, including any interest that accrues after any of the following proceedings begin, in full before we make any payment or distribution to any holder of any of the subordinated debt securities in the event of:

any insolvency, bankruptcy, receivership, liquidation, reorganization, readjustment, composition or other similar proceeding relating to us, our creditors or our property;

any voluntary or involuntary proceeding relating to our liquidation, dissolution or other winding-up;

any assignment we make for the benefit of creditors; or

any other marshalling of our assets.

If any of the above events occur, we will pay any payment or distribution which would otherwise, not taking into account the subordination provisions, be payable or deliverable in respect of the subordinated debt securities directly to the holders of senior indebtedness in accordance with the priorities then existing among those holders until all senior indebtedness, including any interest which accrues after the commencement of any such proceedings, has been paid in full. If the trustee or any holder of any subordinated debt security receives any payment or distribution under the subordinated debt securities in contravention of any of the terms of the subordination provisions, the payment or distribution will be received in trust for the benefit of and will be paid to the holders of the senior indebtedness at the time outstanding in accordance with the priorities then existing among those holders for application to the payment of all senior indebtedness remaining unpaid, to the extent necessary to pay all of the senior indebtedness in full.

The subordinated indenture does not limit the issuance of additional senior indebtedness. Our obligations with respect to the subordinated debt securities of any series will be equal to our obligations with respect to subordinated debt securities of each other series.

Limitations on Disposition or Issuance of Stock of Certain Subsidiaries

Under the senior indenture we may not, and may not permit a subsidiary to, sell, assign, transfer or otherwise dispose of or issue any shares of stock of any subsidiary or any securities convertible into stock of any subsidiary which is:

a subsidiary bank whose assets constitute 10% or more of the total assets of all subsidiary banks, which is referred to below as a principal constituent bank; or

a subsidiary that owns shares of stock or any securities convertible into stock of a principal constituent bank.

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However, we or any of our subsidiaries may dispose of or issue stock of any subsidiary or any securities convertible into stock of any subsidiary under the following circumstances:

when acting in a fiduciary capacity for any other person;

to us or any of our wholly-owned subsidiaries; or

the merger or consolidation of a principal constituent bank with and into any other bank that is our subsidiary.

In addition, we may sell, assign, transfer, otherwise dispose of or issue shares of stock of a principal constituent bank or a subsidiary that owns shares of stock or any securities convertible into stock of a principal constituent bank under the following circumstances:

to qualify a person as a director; or

to comply with a court or regulatory authority order or as a condition imposed by a court or regulatory authority in order for us to acquire any other corporation or entity.

We may also dispose of or issue shares of stock or any securities convertible into stock of a principal constituent bank or sell stock or any securities convertible into stock of any subsidiary that owns shares of stock or any securities convertible into stock of a principal constituent bank under the following circumstances:

the sale, assignment, transfer, other disposition or issuance is for fair market value (as determined by our board of directors) and, after giving effect to such disposition and to any potential dilution, if applicable, we and our wholly-owned subsidiaries will own directly not less than 80% of the stock of such principal constituent bank or subsidiary; or

a principal constituent bank sells or issues additional shares of stock to its shareholders at any price, so long as immediately after the sale, we own at least as great a percentage of the principal constituent bank's stock as we owned prior to the sale or issuance of additional shares.

The senior indenture does not restrict the sale or other disposition of non-bank subsidiaries. The subordinated indenture does not contain the restrictions described above.

Limitations on Liens

Under the senior indenture, we may not, and may not permit any subsidiary bank to, incur any lien upon any shares of stock of any subsidiary bank without securing the senior debt securities then outstanding under the senior indenture equally and ratably with the lien. The subordinated indenture does not contain this limitation.

Limitations on Acquisitions

Under the senior indenture, we may not acquire stock of any corporation and we may not acquire substantially all of the assets and liabilities of any corporation, unless, immediately after the acquisition, we would be in full compliance with the senior indenture. The subordinated indenture does not contain this limitation.

Events of Default

Senior Debt Securities. The following will be events of default under the senior indenture with respect to senior debt securities of a series:

our failure to pay principal of, or any premium on, any debt security of that series when the payment is due;

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our failure to pay any interest on any debt security of that series when the interest payment is due, and the failure continues for 30 days;

our failure to deposit any sinking fund payment for any debt security of that series when the deposit is due;

our failure to perform any other covenants in the indenture, other than a covenant included in the indenture solely for the benefit of a different series of debt securities, which has continued for 90 days after we have been given written notice of the default as provided in the indenture;

the occurrence of certain events in bankruptcy, insolvency or reorganization involving us or a principal constituent bank; and

any other event of default regarding that series of debt securities.

If an event of default in connection with any outstanding series of senior debt securities occurs and is continuing, the trustee or the holders of at least 25% in principal amount of the outstanding debt securities of that series may declare the principal amount due and payable immediately. Subject to certain conditions, the declaration of acceleration may be rescinded and annulled by the holders of a majority of the principal amount of senior debt securities of that series.

Subordinated Debt Securities. An event of default under the subordinated indenture with respect to subordinated debt securities of any series occurs upon certain events in bankruptcy, insolvency or reorganization involving us and any other event of default regarding that series of debt securities. If an event of default in connection with any outstanding series of subordinated debt securities occurs and is continuing, the trustee or the holders of at least 25% in principal amount of the outstanding debt securities of that series may declare the principal amount due and payable immediately. Subject to certain conditions, the declaration of acceleration may be rescinded and annulled by the holders of a majority of the principal amount of subordinated debt securities of that series.

In addition, the subordinated indenture also provides for defaults, which are not events of default and do not entitle the holders to accelerate the principal of the subordinated debt securities. The following are defaults under the subordinated indenture with respect to subordinated debt securities of a series:

our failure to pay principal of, or any premium on, any debt security of that series when the payment is due;

our failure to pay any interest on any debt security of that series when the interest payment is due, and continuance of this default for 30 days;

our default in the performance, or breach, of any of our covenants or warranties in the indenture, other than a covenant or warranty included in the indenture solely for the benefit of a different series of subordinated debt securities, which has continued for 90 days after we have been given written notice of the default as provided in the indenture;

any event of default under the subordinated indenture; and

any other default regarding that series of debt securities.

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If there is a default in payment of principal or interest (not cured within 30 days) in connection with any outstanding series of subordinated debt securities and upon demand of the trustee, we will be required to pay the whole principal amount (and premium, if any) and interest, if any, then due and payable on the subordinated debt securities of that series to the trustee for the benefit of the holders of the outstanding subordinated debt securities of that series.

Modification and Waiver

Each indenture provides that, subject to certain exceptions, modifications and amendments to that indenture may be made by us and the trustee with the consent of the holders of 66-2/3% of the principal amount of the

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outstanding debt securities of each series affected by the modification or amendment. However, no modification or amendment may, without the consent of each holder affected:

change the stated maturity of the principal of or any installment of principal or interest on, any debt security;

reduce the principal amount, the premium or interest on any debt security;

change the place of payment or currency in which any debt security or any principal, premium or interest on that debt security is payable;

impair the right to institute suit for the enforcement of any payment on any debt security;

reduce the percentage of the principal amount of debt securities of any series necessary for waiver of compliance with certain provisions of the applicable indenture or for waiver of certain defaults under the indenture; or

in the case of the subordinated indenture, modify the provisions of the indenture with respect to the subordination provisions in a manner adverse to the holders of the subordinated debt securities.

In certain circumstances, we may enter into supplemental indentures with respect to each indenture without the consent of holders of any outstanding debt securities to evidence a merger, the replacement of the trustee or for other specified purposes.

The holders of at least 50% of the principal amount of the outstanding debt securities of any series may waive compliance by us with certain provisions of the indentures. The holders of a majority of the principal amount of the outstanding debt securities of any series may waive any past default under the applicable indenture with respect to that series, except a default in the payment of principal, or any premium or interest payable on any debt security of that series or of a provision which under the applicable indenture cannot be modified or amended, without the consent of each affected holder.

Consolidation, Merger and Sale of Assets

Under each of the indentures, we may not consolidate with or merge into, and we may not transfer substantially all of our assets as an entirety to, any entity, unless:

the successor corporation assumes our obligations on the debt securities and under the indentures;

there is no event of default (or, in the case of the subordinated indenture, no default);

after notice or lapse of time, there is no event that occurred and is continuing that would become an event of default (or default); and

certain other conditions are met.

Registration and Transfer

Each series of the debt securities will be issued in registered form only, without coupons.

Unless otherwise indicated in the applicable prospectus supplement, the debt securities issued in certificated form will be issued in integral multiples of \$1,000. No service charge will be made for any transfer or exchange of the debt securities, but we may require payment of an amount sufficient to cover any tax or other governmental charge payable in connection with a transfer or exchange.

Payment and Paying Agent

Our subsidiary, M&I Marshall & Ilsley Bank, will initially serve as paying agent. Unless otherwise indicated in the applicable prospectus supplement, we will pay the principal, interest and premiums, if any, on

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fully registered debt securities at the office of the paying agent in Milwaukee, Wisconsin. At our option, payment of interest on fully registered debt securities may also be made by check mailed to the persons in whose names the debt securities are registered.

No Protection in the Event of a Highly Leveraged Transaction

The indentures do not protect holders from a sudden and dramatic decline in our credit quality resulting from takeovers, recapitalizations, or similar restructurings or other highly leveraged transactions.

Global Securities

The debt securities of a series may be issued in whole or in part in the form of one or more global securities that will be deposited with a depositary that we will identify in a prospectus supplement. Unless and until a global security is exchanged in whole or in part for individual certificates in definitive form which evidence the debt securities represented by a global security, a global security may not be transferred except as a whole by the depositary to a nominee of that depositary or by a nominee of that depositary to a depositary or another nominee of that depositary.

The specific terms of the depositary arrangements for each series of debt securities will be described in the applicable prospectus supplement.

Additional Provisions

Subject to certain limitations, we may in certain circumstances set any day as the record date for the purpose of determining the holders of outstanding debt securities of any series entitled to give or take any request, demand, authorization, direction, notice, waiver or other action as provided or permitted by the indentures.

The trustee has the duty to act with the required standard of care during default. The trustee is not otherwise obligated to exercise any of its rights or powers under either indenture at the request or direction of any of the holders of the debt securities, unless the holders have offered the trustee reasonable indemnification. The indentures provide that the holders of a majority of the principal amount of outstanding debt securities of any series may, in certain circumstances, direct the time, method and place of conducting any proceedings for any remedy available to the trustee, or exercising any trust or other power conferred on the trustee.

No holder of a debt security of any series will have any right to institute any proceeding for any remedy under the applicable indenture, unless:

the holder has provided the trustee with written notice of a continuing event of default or default regarding the holder's series of debt securities;

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the holders of at least 25% in principal amount of the outstanding debt securities of a series have made a written request, and offered reasonable indemnification to the trustee, to institute a proceeding for remedy;

the trustee has not received a direction during such 60-day period inconsistent with such request from the holders of a majority in principal amount of the outstanding debt securities; and

the trustee has failed to institute the proceeding within 60 days after receipt of such request.

However, the holder of any debt security will have an absolute right to receive payment of principal, premium and any interest on such debt security on the due dates expressed in such debt security and to institute suit for the enforcement of any such payment.

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Satisfaction and Discharge

Each indenture provides that we will be discharged from certain of our obligations under that indenture relating to the outstanding debt securities of a series if we deposit with the trustee funds sufficient for payment of all principal, premium, interest and additional amounts, if any, on those debt securities when due. In that event, holders of those debt securities will only be able to look to the trust fund for payment of the principal, premium and interest on their debt securities until maturity.

Conversion and Exchange

If any offered debt securities are convertible into preferred stock, depositary shares or common stock at the option of the holders or exchangeable for preferred stock, depositary shares or common stock at our option, the prospectus supplement relating to those debt securities will include the terms and conditions governing any conversions and exchanges.

Governing Law

Each indenture and the securities will be governed by and construed in accordance with the laws of the State of New York.

Reports to the Trustee

We are required to furnish the trustee an annual statement regarding whether we are in default under the indentures.

The Trustee

We or our affiliates may be customers of, or engage in transactions with, or perform services for, the trustee and its affiliates in the ordinary course of business. Because debt securities issued under the senior and subordinated indentures do not rank equally with each other, upon a default under one of the indentures, the trustee would have a conflicting interest if debt securities were outstanding under the other indenture. As a result, the trustee may be required to resign as trustee of one of the indentures and we may be required to appoint a successor trustee.

DESCRIPTION OF M&I JUNIOR SUBORDINATED DEBT SECURITIES

This section describes the general terms and provisions of our junior subordinated debt securities. Our senior debt securities and subordinated debt securities are described under Description of M&I Senior and Subordinated Debt Securities. The applicable prospectus supplement will describe the specific terms of the series of junior subordinated debt securities, which are sometimes referred to in this section as debt securities,

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offered through that prospectus supplement and any general terms outlined in this section that will not apply to those debt securities.

The junior subordinated debt securities will be issued under a junior subordinated indenture, which is sometimes referred to in this section as the indenture, between us and BNY Midwest Trust Company, as trustee, dated as of June 1, 2004. The indenture has been filed as an exhibit to the registration statement of which this prospectus forms a part.

We have summarized the material terms and provisions of the indenture in this section. You should read the indenture for provisions that may be important to you.

The indenture under which the junior subordinated securities will be issued does not limit the amount of debt which we or our subsidiaries may incur.

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General

The junior subordinated debt securities will be our direct unsecured obligations. The junior subordinated indenture does not limit the principal amount of junior subordinated debt securities that we may issue. The junior subordinated indenture permits us to issue junior subordinated debt securities from time to time and junior subordinated debt securities issued under such indenture will be issued as part of a series that has been established by us under such indenture.

The junior subordinated debt securities will be unsecured and will rank equally with all of our other junior subordinated debt securities and, together with such other junior subordinated debt securities, will be subordinated to all of our existing and future senior debt (as defined below for purposes of this section). See Subordination below.

A prospectus supplement relating to a series of junior subordinated debt securities being offered will include specific terms relating to the offering. These terms will include some or all of the following:

the title and type of the debt securities;

any limit on the total principal amount of the debt securities of that series;

the price at which the debt securities will be issued;

the date or dates on which the principal of and any premium on the debt securities will be payable;

the maturity date or dates of the debt securities or the method by which those dates can be determined;

if the debt securities will bear interest:

the interest rate on the debt securities or the method by which the interest rate may be determined;

whether payment of interest will be contingent in any respect and/or the interest rate reset;

the date from which interest will accrue;

the record and interest payment dates for the debt securities;

the first interest payment date; and

any circumstances under which we may defer interest payments;

any remarketing or extension features of the debt securities;

the place or places where:

we can make payments on the debt securities;

the debt securities can be surrendered for registration of transfer or exchange; and

notices and demands can be given to us relating to the debt securities and under the indenture;

any optional redemption provisions that would permit us or the holders of debt securities to elect redemption of the debt securities before their final maturity;

any sinking fund provisions that would obligate us to redeem the debt securities before their final maturity;

whether the debt securities will be convertible into or exchangeable for shares of common stock, shares of preferred stock or our depositary shares and, if so, the terms and conditions of any such conversion or exchange, and, if convertible into or exchangeable for shares of preferred stock or depositary shares, the terms of such preferred stock or depositary shares;

if the debt securities will be issued in bearer form, the terms and provisions contained in the bearer securities and in the indenture specifically relating to the bearer securities;

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the currency or currencies in which the debt securities will be denominated and payable, if other than U.S. dollars and, if a composite currency, any special provisions relating thereto;

any circumstances under which the debt securities may be paid in a currency other than the currency in which the debt securities are denominated and any provisions relating thereto;

whether the provisions described below under the heading "Defeasance and Discharge" apply to the debt securities;

any events of default which will apply to the debt securities in addition to those contained in the indenture and any events of default contained in the indenture which will not apply to the debt securities;

any additions or changes to or deletions of the covenants contained in the indenture and the ability, if any, of the holders to waive our compliance with those additional or changed covenants;

whether all or part of the debt securities will be issued in whole or in part as temporary or permanent global securities and, if so, the depositary for those global securities and a description of any book-entry procedures relating to the global securities; a global security is a debt security that we issue in accordance with the junior subordinated indenture to represent all or part of a series of debt securities;

if we issue temporary global securities, any special provisions dealing with the payment of interest and any terms relating to the ability to exchange interests in a temporary global security for interests in a permanent global security or for definitive debt securities;

the identity of the security registrar and paying agent for the debt securities if other than the junior subordinated trustee;

any special tax implications of the debt securities;

any special provisions relating to the payment of any additional amounts on the debt securities;

the terms of any securities being offered together with or separately from the debt securities;

the terms and conditions of any obligation or right of M&I or a holder to convert or exchange the debt securities into trust preferred securities or other securities; and

any other terms of the debt securities.

When we use the term "holder" in this prospectus with respect to a registered debt security, we mean the person in whose name such debt security is registered in the security register.

Additional Interest

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If a series of junior subordinated securities is owned by a trust and if the trust is required to pay any taxes, duties, assessments or governmental charges of whatever nature, other than withholding taxes, imposed by the United States, or any other taxing authority, then we will be required to pay additional interest on the related junior subordinated debt securities. The amount of any additional interest will be an amount sufficient so that the net amounts received and retained by such trust after paying any such taxes, duties, assessments or other governmental charges will be not less than the amounts that such trust would have received had no such taxes, duties, assessments or other governmental charges been imposed. This means that the trust will be in the same position it would have been in if it did not have to pay such taxes, duties, assessments or other charges.

Payment; Exchange; Transfer

We will designate a place of payment where holders can receive payment of the principal of and any premium and interest on the junior subordinated debt securities. Even though we will designate a place of payment, we may elect to pay any interest on the junior subordinated debt securities by mailing a check to the

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person listed as the owner of the junior subordinated debt securities in the security register or by wire transfer to an account designated by that person in writing not less than ten days before the date of the interest payment. One of our affiliates may serve as the paying agent under the indenture. Unless we state otherwise in the applicable prospectus supplement, we will pay interest on a junior subordinated debt security:

on an interest payment date, to the person in whose name that junior subordinated debt security is registered at the close of business on the record date relating to that interest payment date; and

on the date of maturity or earlier redemption or repayment, to the person who surrenders such debt security at the office of our appointed paying agent.

Any money that we pay to a paying agent for the purpose of making payments on the junior subordinated debt securities and that remains unclaimed two years after the payments were due will, at our request, be returned to us and after that time any holder of such debt security can only look to us for the payments on such debt security.

Any junior subordinated debt securities of a series can be exchanged for other junior subordinated debt securities of that series so long as such other debt securities are denominated in authorized denominations and have the same aggregate principal amount and same terms as the junior subordinated debt securities that were surrendered for exchange. The junior subordinated debt securities may be presented for registration of transfer, duly endorsed or accompanied by a satisfactory written instrument of transfer, at the office or agency maintained by us for that purpose in a place of payment. There will be no service charge for any registration of transfer or exchange of the junior subordinated debt securities, but we may require holders to pay any tax or other governmental charge payable in connection with a transfer or exchange of the junior subordinated debt securities. If the applicable prospectus supplement refers to any office or agency, in addition to the security registrar, initially designated by us where holders can surrender the junior subordinated debt securities for registration of transfer or exchange, we may at any time rescind the designation of any such office or agency or approve a change in the location. However, we will be required to maintain an office or agency in each place of payment for that series.

In the event of any redemption, neither we nor the junior subordinated trustee will be required to:

issue, register the transfer of, or exchange, junior subordinated debt securities of any series during a period beginning at the opening of business 15 days before the day of publication or mailing of the notice of redemption and ending at the close of business on the day of such publication or the mailing of such notice; or

transfer or exchange any junior subordinated debt securities so selected for redemption, except, in the case of any junior subordinated debt securities being redeemed in part, any portion thereof not to be redeemed.

Denominations

Unless we state otherwise in the applicable prospectus supplement, the junior subordinated debt securities will be issued only in registered form, without coupons, in denominations of \$1,000 each or multiples of \$1,000.

Bearer Debt Securities

If we ever issue bearer debt securities, the applicable prospectus supplement will describe all of the special terms and provisions of junior subordinated debt securities in bearer form, and the extent to which those special terms and provisions are different from the terms and provisions which are described in this prospectus, which generally apply to junior subordinated debt securities in registered form, and will summarize provisions of the junior subordinated indenture that relate specifically to bearer debt securities.

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Original Issue Discount

Junior subordinated debt securities may be issued under the junior subordinated indenture as original issue discount securities and sold at a substantial discount below their stated principal amount. If a junior subordinated debt security is an original issue discount security, that means that an amount less than the principal amount of such debt security will be due and payable upon a declaration of acceleration of the maturity of such debt security under the junior subordinated indenture. The applicable prospectus supplement will describe the federal income tax consequences and other special factors you should consider before purchasing any original issue discount securities.

Option to Defer Interest Payments

If provided in the applicable prospectus supplement, we will have the right from time to time to defer payment of interest on a series of junior subordinated debt securities for up to such number of consecutive interest payment periods as may be specified in the applicable prospectus supplement, subject to the terms, conditions and covenants, if any, specified in such prospectus supplement. Such deferral, however, may not extend beyond the stated maturity of such junior subordinated debt securities. Certain United States federal income tax consequences and special considerations applicable to any such debt securities will be described in the applicable prospectus supplement.

Restrictions on Certain Payments, Including on Deferral of Interest

Unless otherwise specified in the applicable prospectus supplement, if:

there shall have occurred and be continuing any event that, with the giving of notice or the lapse of time, or both, would be an event of default with respect to a series of junior subordinated debt securities of which we have actual knowledge and which we have not taken reasonable steps to cure;

the junior subordinated debt securities of a series are held by a trust and we shall be in default relating to our payment of any obligations under the corresponding guarantee; or

we shall have given notice of our election to defer payments of interest on a series of junior subordinated debt securities by extending the interest payment period and such period, or any extension of such period, shall be continuing;

then:

we shall not declare or pay any dividends or distributions on, or redeem, purchase, acquire or make a liquidation payment with respect to, any shares of our capital stock;

we shall not make any payment of principal of or interest or premium, if any, on or repay, repurchase or redeem any debt securities issued by us that rank equally with or junior to the junior subordinated debt securities (except for partial payments of interest with respect to the junior subordinated debt securities); and

we shall not make any payment under any guarantee that ranks equally with or junior to our guarantee related to the trust preferred securities.

The restrictions listed above do not apply to:

any repurchase, redemption or other acquisition of shares of our capital stock in connection with (1) any employment contract, benefit plan or other similar arrangement with or for the benefit of any one or more employees, officers, directors, consultants or independent contractors, (2) a dividend reinvestment or stockholder purchase plan, or (3) the issuance of our capital stock, or securities convertible into or exercisable for such capital stock, as consideration in an acquisition transaction entered into prior to the applicable event of default, default or extension period, as the case may be;

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any exchange, redemption or conversion of any class or series of our capital stock, or the capital stock of one of our subsidiaries, for any other class or series of our capital stock, or of any class or series of our indebtedness for any class or series of our capital stock;

any purchase of fractional interests in shares of our capital stock pursuant to the conversion or exchange provisions of such capital stock or the securities being converted or exchanged;

any declaration of a dividend in connection with any rights plan, or the issuance of rights, stock or other property under any rights plan, or the redemption or repurchase of rights pursuant thereto;

payments by us under any guarantee agreement executed for the benefit of the holders of the trust preferred securities; or

any dividend in the form of stock, warrants, options or other rights where the dividend stock or stock issuable upon exercise of such warrants, options or other rights is the same stock as that on which the dividend is being paid or ranks equally with or junior to such stock.

Redemption

Unless otherwise specified in the applicable prospectus supplement, the junior subordinated debt securities will not be subject to any sinking fund and will not be redeemable at the option of the holder.

Unless otherwise specified in the applicable prospectus supplement, we may, at our option and subject to receipt of prior approval by the Federal Reserve, if required, redeem the junior subordinated debt securities of any series in whole at any time or in part from time to time. If the junior subordinated debt securities of any series are redeemable only on or after a specified date or upon the satisfaction of additional conditions, the applicable prospectus supplement will specify such date or describe such conditions. Except as otherwise specified in the applicable prospectus supplement, the redemption price for any junior subordinated debt security so redeemed will equal 100% of the principal amount of such junior subordinated debt security plus accrued and unpaid interest (including additional interest) to the redemption date.

Except as otherwise specified in the applicable prospectus supplement, we may, at our option and subject to receipt of prior approval by the Federal Reserve, if required, redeem a series of junior subordinated debt securities in whole, but not in part, at any time within 90 days after the occurrence of a tax event, investment company event or capital treatment event, each as defined below, at a redemption price equal to 100% of the principal amount of such junior subordinated debt securities then outstanding plus accrued and unpaid interest (including additional interest) to the redemption date.

Unless otherwise specified in the applicable prospectus supplement, the term **tax event** means the receipt by a trust of an opinion of counsel experienced in such matters to the effect that, as a result of any amendment to, or change in, including any announced proposed change in, the laws or regulations of the United States or any political subdivision or taxing authority thereof or therein, or as a result of any official administrative pronouncement or judicial decision interpreting or applying such laws or regulations, which amendment or change is effective or which proposed change, pronouncement or decision is announced on or after the date of the prospectus supplement relating to issuance of trust preferred securities by such trust, there is more than an insubstantial risk that:

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such trust is, or will be within 90 days of the date of such opinion, subject to United States federal income tax with respect to income received or accrued on the corresponding series of junior subordinated debt securities;

interest payable by M&I on such series of corresponding junior subordinated debt securities is not, or within 90 days of the date of such opinion, will not be, deductible by M&I, in whole or in part, for United States federal income tax purposes; or

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such trust is, or will be within 90 days of the date of such opinion, subject to more than a de minimis amount of other taxes, duties or other governmental charges.

Unless otherwise specified in the applicable prospectus supplement, the term **investment company event** means the receipt by a trust of an opinion of counsel experienced in such matters to the effect that, as a result of the occurrence of a change in law or regulation or a written change, including any announced prospective change, in interpretation or application of law or regulation by any legislative body, court, governmental agency or regulatory authority, there is more than an insubstantial risk that such trust is or will be considered an **investment company** that is required to be registered under the Investment Company Act of 1940, which change or prospective change becomes effective or would become effective, as the case may be, on or after the date of the prospectus supplement relating to the issuance of the trust preferred securities.

Unless otherwise specified in the applicable prospectus supplement, the term **capital treatment event** means our reasonable determination that, as a result of any amendment to, or change in, including any announced prospective change in, the laws or regulations of the United States or any political subdivision thereof or therein, or as a result of any official or administrative pronouncement or action or judicial decision interpreting or applying such laws or regulations, which amendment or change is effective or which pronouncement, action or decision is announced on or after the date of the prospectus supplement relating to issuance of trust preferred securities by such trust, there is more than an insubstantial risk that M&I will not be entitled to treat an amount equal to the liquidation amount of such trust preferred securities as Tier I capital, or the then-equivalent thereof, for purposes of the capital adequacy guidelines of the Federal Reserve, as then in effect and applicable to M&I.

Notice of any redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each holder of junior subordinated debt securities to be redeemed at its registered address. However, if the debt securities are held by a trust, notice shall be mailed at least 45 days but not more than 75 days before the redemption date. Unless we default in payment of the redemption price, on and after the redemption date, interest will cease to accrue on such junior subordinated debt securities or portions thereof called for redemption.

Limitation on Mergers and Sales of Assets

The junior subordinated indenture generally permits a consolidation or merger between us and another entity. It also permits the sale or transfer by us of all or substantially all of our property and assets. These transactions are permitted if:

the resulting or acquiring entity, if other than us, is organized and existing under the laws of a domestic jurisdiction and assumes all of our responsibilities and liabilities under the junior subordinated indenture, including the payment of all amounts due on the debt securities and performance of the covenants in the junior subordinated indenture;

immediately after the transaction, and giving effect to the transaction, no event of default under the junior subordinated indenture exists; and

certain other conditions as prescribed in the indenture are met.

If we consolidate or merge with or into any other entity or sell or lease all or substantially all of our assets according to the terms and conditions of the junior subordinated indenture, the resulting or acquiring entity will be substituted for us in such indenture with the same effect as if it had been an original party to the indenture. As a result, such successor entity may exercise our rights and powers under the junior subordinated indenture, in our name and, except in the case of a lease of all or substantially all of our properties and assets, we will be released from all our

liabilities and obligations under such indenture and under the junior subordinated debt securities.

Events of Default, Waiver and Notice

Unless otherwise specified in the applicable prospectus supplement, an event of default when used in the junior subordinated indenture with respect to any series of junior subordinated debt securities, means any of the following:

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failure to pay interest (including any additional interest) on a junior subordinated debt security of that series for 30 days after the payment is due (subject to the deferral of any due date in the case of an extension period);

failure to pay the principal of or any premium on any junior subordinated debt security of that series when due whether at maturity, upon redemption or otherwise;

certain events in bankruptcy, insolvency or reorganization of M&I; or

any other event of default that may be specified for the junior subordinated debt securities of that series when that series is created.

If an event of default under the junior subordinated indenture occurs and continues, the junior subordinated trustee or the holders of at least 25% in aggregate principal amount of the outstanding junior subordinated debt securities of that series may declare the entire principal and all accrued but unpaid interest of all debt securities of that series to be due and payable immediately. If the trustee or the holders of junior subordinated debt securities do not make such declaration and the junior subordinated debt securities of that series are held by a trust or trustee of such trust, the property trustee or the holders of at least 25% in aggregate liquidation amount of the related trust preferred securities shall have such right.

If such a declaration occurs, the holders of a majority of the aggregate principal amount of the outstanding junior subordinated debt securities of that series can, subject to certain conditions (including, if the junior subordinated debt securities of that series are held by a trust or a trustee of such trust, the consent of the holders of at least a majority in aggregate liquidation amount of the related trust preferred securities), rescind the declaration. If the holders of such junior subordinated debt securities do not rescind such declaration and such junior subordinated debt securities are held by a trust or trustee of such trust, the holders of at least a majority in aggregate liquidation amount of the related trust preferred securities shall have such right.

The holders of a majority in aggregate principal amount of the outstanding junior subordinated debt securities of any series may, on behalf of all holders of that series, waive any past default, except:

a default in payment of principal of or any premium or interest; or

a default under any provision of the junior subordinated indenture which itself cannot be modified or amended without the consent of the holder of each outstanding junior subordinated debt security of that series.

If the junior subordinated debt securities of that series are held by a trust or a trustee of such trust, any such waiver shall require a consent of the holders of at least a majority in aggregate liquidation amount of the related trust preferred securities. If the holders of junior subordinated debt securities do not waive such default, the holders of a majority in aggregate liquidation amount of the related trust preferred securities shall have such right.

The holders of a majority in principal amount of the junior subordinated debt securities of any series affected shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the junior subordinated trustee under the junior subordinated indenture.

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We are required to file an officers certificate with the junior subordinated trustee each year that states, to the knowledge of the certifying officer, whether or not any defaults exist under the terms of the junior subordinated indenture.

If the junior subordinated debt securities of any series are held by a trust or a trustee of such trust, a holder of the related trust preferred securities may institute a direct action if we fail to make interest or other payments

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on the corresponding junior subordinated debt securities when due, taking account of any extension period. A direct action may be brought without first:

directing the property trustee to enforce the terms of the corresponding junior subordinated debt securities; or

suing us to enforce the property trustee's rights under such junior subordinated debt securities.

This right of direct action cannot be amended in a manner that would impair the rights of the holders of trust preferred securities thereunder without the consent of all holders of affected trust preferred securities.

Covenants Contained in Junior Subordinated Indenture

The junior subordinated indenture does not contain restrictions on our ability to:

incur, assume or become liable for any type of debt or other obligation;

create liens on our property for any purpose; or

pay dividends or make distributions on our capital stock or repurchase or redeem our capital stock, except as set forth under Restrictions on Certain Payments, Including on Deferral of Interest above.

The junior subordinated indenture does not require the maintenance of any financial ratios or specified levels of net worth or liquidity. In addition, the junior subordinated indenture does not contain any provisions which would require us to repurchase or redeem or modify the terms of any of the junior subordinated debt securities upon a change of control or other event involving us which may adversely affect the creditworthiness of such debt securities.

No Protection in the Event of a Highly Leveraged Transaction

The junior subordinated indenture does not protect holders from a sudden and dramatic decline in credit quality resulting from takeovers, recapitalizations, or similar restructurings or other highly leveraged transactions.

Distribution of the Junior Subordinated Debt Securities

If a series of junior subordinated debt is owned by a trust, under circumstances involving the dissolution of the trust, which will be discussed more fully in the applicable prospectus supplement, the junior subordinated debt securities may be distributed to the holders of the trust securities in liquidation of that trust, provided that any required regulatory approval is obtained. See Description of Trust Preferred Securities Liquidation Distribution upon Dissolution.

Modification of Junior Subordinated Indenture

Under the junior subordinated indenture, certain of our rights and obligations and certain of the rights of holders of the junior subordinated debt securities may be modified or amended with the consent of the holders of at least a majority of the aggregate principal amount of the outstanding junior subordinated debt securities of all series of such debt securities affected by the modification or amendment, acting as one class. However, the following modifications and amendments will not be effective against any holder without its consent:

a change in the stated maturity date of any payment of principal or interest, including any additional interest (other than to the extent set forth in the applicable junior subordinated debt security);

a reduction in payments due on the junior subordinated debt securities;

a change in the place of payment or currency in which any payment on the junior subordinated debt securities is payable;

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a limitation of a holder's right to sue us for the enforcement of payments due on the junior subordinated debt securities;

a reduction in the percentage of outstanding junior subordinated debt securities required to consent to a modification or amendment of the junior subordinated indenture or required to consent to a waiver of compliance with certain provisions of such indenture or certain defaults under such indenture;

a reduction in the requirements contained in the junior subordinated indenture for quorum or voting;

a limitation of a holder's right, if any, to repayment of junior subordinated debt securities at the holder's option;

in the case of junior subordinated debt securities convertible into common stock, a limitation of any right to convert such debt securities; and

a modification of any of the foregoing requirements contained in the junior subordinated indenture.

Under the junior subordinated indenture, the holders of at least a majority of the aggregate principal amount of the outstanding junior subordinated debt securities of all series affected by a particular covenant or condition, acting as one class, may, on behalf of all holders of such series of debt securities, waive compliance by us with any covenant or condition contained in the junior subordinated indenture unless we specify that such covenant or condition cannot be so waived at the time we establish the series.

If the junior subordinated debt securities are held by a trust or the trustee of such trust, no modification may be made that adversely affects the holders of the related trust preferred securities in any material respect, and no termination of the junior subordinated indenture may occur, and no waiver of any compliance with any covenant will be effective without the prior consent of a majority in liquidation amount of trust preferred securities of such trust. If the consent of the holder of each outstanding junior subordinated debt security is required for such modification or waiver, no such modification or waiver shall be effective without the prior consent of each holder of related trust preferred securities.

We and the junior subordinated trustee may execute, without the consent of any holder of junior subordinated debt securities, any supplemental junior subordinated indenture for the purposes of:

creating any new series of junior subordinated debt securities;

evidencing the succession of another corporation to us, and the assumption by such successor of our covenants contained in the junior subordinated indenture and the junior subordinated debt securities;

adding covenants of us for the benefit of the holders of all or any series of junior subordinated debt securities, transferring any property to or with the junior subordinated trustee or surrendering any of our rights or powers under the junior subordinated indenture;

adding any additional events of default for all or any series of junior subordinated debt securities;

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changing or eliminating any restrictions on the payment of principal or premium, if any, on junior subordinated debt securities in registered form, permitting and facilitating the issuance of junior subordinated debt securities in uncertificated form and modifying certain provisions with respect to bearer securities, provided any such action shall not adversely affect the interests of the holders of the junior subordinated debt securities of any series in any material respect;

changing or eliminating any of the provisions of the junior subordinated indenture, provided that any such change or elimination shall become effective only when there is no junior subordinated debt security outstanding of any series created prior to the execution of such supplemental indenture which is entitled to the benefit of such provisions or shall not apply to any junior subordinated debt security outstanding;

evidencing and providing for the acceptance of appointment under the junior subordinated indenture by a successor trustee with respect to the junior subordinated debt securities of one or more series and adding to or changing any of the provisions of the junior subordinated indenture as shall be necessary to

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provide for or facilitate the administration of the trusts by more than one trustee in accordance with the junior subordinated indenture;

curing any ambiguity, correcting or supplementing any provision in the junior subordinated indenture which may be defective or inconsistent with any other provision therein or making any other provisions with respect to matters or questions arising under the junior subordinated indenture which shall not be inconsistent with any provision therein, provided such other provisions shall not adversely affect the interests of the holders of the junior subordinated debt securities of any series in any material respect or, in the case of the junior subordinated debt securities of a series issued to a trust and for so long as any of the corresponding series of trust preferred securities issued by such trust shall remain outstanding, the holders of such trust preferred securities; or

adding to, changing or eliminating any provision of the junior subordinated indenture as shall be necessary or desirable in accordance with any amendments to the Trust Indenture Act, provided such action shall not adversely affect the interest of the holders of junior subordinated debt securities of any series in any material respect.

Defeasance and Discharge

Defeasance and Discharge. At the time that we establish a series of junior subordinated debt securities under the junior subordinated indenture, we can provide that such debt securities of that series are subject to the defeasance and discharge provisions of that indenture. If we so provide, we will be discharged from our obligations on such debt securities of that series if:

we deposit with the junior subordinated trustee, in trust, sufficient money or, if the junior subordinated debt securities of that series are denominated and payable in U.S. dollars only, eligible instruments, to pay the principal, any interest, any premium and any other sums due on such debt securities of that series, such as sinking fund payments, on the dates the payments are due under the junior subordinated indenture and the terms of such debt securities;

we deliver to the junior subordinated trustee an opinion of counsel that states that the holders of the junior subordinated debt securities of that series will not recognize income, gain or loss for federal income tax purposes as a result of the deposit and will be subject to federal income tax on the same amounts and in the same manner and at the same times as would have been the case if no deposit had been made;

if the junior subordinated debt securities of that series are listed on any domestic or foreign securities exchange, such debt securities will not be delisted as a result of the deposit; and

we comply with certain other conditions specified in the indenture.

When we use the term *eligible instruments* in this section, we mean monetary assets, money market instruments and securities that are payable in dollars only and essentially risk free as to collection of principal and interest, including:

direct obligations of the United States backed by the full faith and credit of the United States; or

any obligation of a person controlled or supervised by and acting as an agency or instrumentality of the United States if the timely payment of the obligation is unconditionally guaranteed as a full faith and credit obligation by the United States.

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In the event that we deposit money and/or eligible instruments in trust and discharge our obligations under a series of junior subordinated debt securities as described above, then:

the junior subordinated indenture, including the subordination provisions contained in the junior subordinated indenture, will no longer apply to the junior subordinated debt securities of that series; however, certain obligations to compensate, reimburse and indemnify the junior subordinated trustee, to

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register the transfer and exchange of junior subordinated debt securities, to replace lost, stolen or mutilated junior subordinated debt securities, to maintain paying agencies and the trust funds and to pay additional amounts, if any, required as a result of U.S. withholding taxes imposed on payments to non-U.S. persons will continue to apply; and

holders of junior subordinated debt securities of that series can only look to the trust fund for payment of principal, any premium and any interest on such debt securities of that series.

Defeasance of Certain Covenants and Certain Events of Default. At the time that we establish a series of junior subordinated debt securities under the junior subordinated indenture, we can provide that such debt securities of that series are subject to the covenant defeasance provisions of such indenture. If we so provide and we make the deposit and deliver the opinion of counsel described above in this section under the heading

Defeasance and Discharge we will not have to comply with any covenant we designate when we establish the series of debt securities. In the event of a covenant defeasance, our obligations under the junior subordinated indenture and the junior subordinated debt securities, other than with respect to the covenants specifically referred to above, will remain in effect.

If we exercise our option not to comply with the covenants listed above and such junior subordinated debt securities of the series become immediately due and payable because an event of default under the junior subordinated indenture has occurred, other than as a result of an event of default specifically referred to above, the amount of money and/or eligible instruments on deposit with the junior subordinated trustee will be sufficient to pay the principal, any interest, any premium and any other sums, due on such debt securities of that series, such as sinking fund payments, on the date the payments are due under the junior subordinated indenture and the terms of the junior subordinated debt securities, but may not be sufficient to pay amounts due at the time of acceleration. However, we would remain liable for the balance of the payments.

Conversion or Exchange

The junior subordinated debt securities may be convertible or exchangeable into junior subordinated debt securities of another series, into trust preferred securities or into our common stock or preferred stock, on the terms provided in the applicable prospectus supplement. Such terms may include provisions for conversion or exchange, either mandatory, at the option of the holder, or at our option, in which case the number of shares of trust preferred securities or other securities to be received by the holders of junior subordinated debt securities would be calculated as of a time and in the manner stated in the applicable prospectus supplement.

Subordination

The junior subordinated debt securities will be subordinate to all of our existing and future senior debt, as defined below. For purposes of this section, our senior debt includes our senior debt securities and our subordinated debt securities and means:

any of our indebtedness for borrowed or purchased money, whether or not evidenced by bonds, debt securities, notes or other written instruments,

our obligations under letters of credit,

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any of our indebtedness or other obligations with respect to commodity contracts, interest rate and currency swap agreements, cap, floor and collar agreements, currency spot and forward contracts, and other similar agreements or arrangements designed to protect against fluctuations in currency exchange or interest rates, and

any guarantees, endorsements (other than by endorsement of negotiable instruments for collection in the ordinary course of business) or other similar contingent obligations in respect of obligations of others of a type described above, whether or not such obligation is classified as a liability on a balance sheet prepared in accordance with generally accepted accounting principles,

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whether outstanding on the date of execution of the junior subordinated indenture or thereafter incurred, other than obligations expressly on a parity with or junior to our payment obligations with respect to the junior subordinated debt securities. The junior subordinated debt securities will rank on a parity with obligations evidenced by any debt securities, and guarantees in respect of those debt securities, initially issued to any trust, partnership or other entity affiliated with us, that is, directly or indirectly, our financing vehicle in connection with the issuance by such entity of capital securities or other similar securities.

If certain events in bankruptcy, insolvency or reorganization occur, we will first pay all senior debt, including any interest accrued after the events occur, in full before we make any payment or distribution, whether in cash, securities or other property, on account of the principal of or interest on the junior subordinated debt securities. In such an event, we will pay or deliver directly to the holders of senior debt any payment or distribution otherwise payable or deliverable to holders of the junior subordinated debt securities. We will make the payments to the holders of senior debt according to priorities existing among those holders until we have paid all senior debt, including accrued interest, in full. Notwithstanding the subordination provisions discussed in this paragraph, we may make payments or distributions on the junior subordinated debt securities so long as:

the payments or distributions consist of securities issued by us or another company in connection with a plan of reorganization or readjustment; and

payment on those securities is subordinate to outstanding senior debt and any securities issued with respect to senior debt under such plan of reorganization or readjustment at least to the same extent provided in the subordination provisions of the junior subordinated debt securities.

If such events in bankruptcy, insolvency or reorganization occur, after we have paid in full all amounts owed on senior debt:

the holders of junior subordinated debt securities,

together with the holders of any of our other obligations ranking equal with those junior subordinated debt securities,

will be entitled to receive from our remaining assets any principal, premium or interest due at that time on the junior subordinated debt securities and such other obligations before we make any payment or other distribution on account of any of our capital stock or obligations ranking junior to those junior subordinated debt securities.

If we violate the junior subordinated indenture by making a payment or distribution to holders of the junior subordinated debt securities before we have paid all the senior debt in full, then such holders of the junior subordinated debt securities will be deemed to have received the payments or distributions in trust for the benefit of, and will have to pay or transfer the payments or distributions to, the holders of the senior debt outstanding at the time. The payment or transfer to the holders of the senior debt will be made according to the priorities existing among those holders. Notwithstanding the subordination provisions discussed in this paragraph, holders of junior subordinated debt securities will not be required to pay, or transfer payments or distributions to, holders of senior debt so long as:

the payments or distributions consist of securities issued by us or another company in connection with a plan of reorganization or readjustment; and

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payment on those securities is subordinate to outstanding senior debt and any securities issued with respect to senior debt under such plan of reorganization or readjustment at least to the same extent provided in the subordination provisions of those junior subordinated debt securities.

Because of the subordination, if we become insolvent, holders of senior debt may receive more, ratably, and holders of the junior subordinated debt securities having a claim pursuant to those securities may receive less, ratably, than our other creditors. This type of subordination will not prevent an event of default from occurring under the junior subordinated indenture in connection with the junior subordinated debt securities.

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We may modify or amend the junior subordinated indenture as provided under Modification of Junior Subordinated Indenture above. However, the modification or amendment may not, without the consent of the holders of all senior debt outstanding, modify any of the provisions of the junior subordinated indenture relating to the subordination of the junior subordinated debt securities in a manner that would adversely affect the holders of senior debt.

The junior subordinated indenture places no limitation on the amount of senior debt that we may incur. We expect from time to time to incur additional indebtedness and other obligations constituting senior debt.

Governing Law

The junior subordinated indenture and the junior subordinated debt securities will be governed by, and construed in accordance with, the internal laws of the State of New York.

The Trustee

The junior subordinated trustee will have all of the duties and responsibilities specified under the Trust Indenture Act. Other than its duties in a case of default, the trustee is under no obligation to exercise any of the powers under the junior subordinated indenture at the request, order or direction of any holders of junior subordinated debt securities unless offered reasonable indemnification.

DESCRIPTION OF LLC DEBT SECURITIES AND RELATED M&I GUARANTEES

This section describes the general terms and provisions of the debt securities that may be offered by one or more of our LLCs and our related guarantees of those debt securities. The applicable prospectus supplement will describe the specific terms of the series of debt securities, which are sometimes referred to in this section as LLC debt securities, and related guarantees offered through that prospectus supplement and any general terms outlined in this section that will not apply to those LLC debt securities and related guarantees. The LLC debt securities and our related guarantees will be issued under an indenture, which is sometimes referred to in this section as the indenture, among the applicable LLC, us and the trustee named in the applicable prospectus supplement.

We have summarized the material terms and provisions of the indenture in this section. We have also filed the form of the indenture as an exhibit to the registration statement of which this prospectus is a part. You should read the form of indenture for provisions that may be important to you.

The indenture under which the LLC debt securities will be issued does not limit the amount of debt which we or our subsidiaries may incur or guarantee.

General

Unless specified otherwise in the applicable prospectus supplement, the LLC debt securities will be senior unsecured obligations of the applicable LLC. The indenture does not limit the principal amount of LLC debt securities that the LLCs may issue. The indenture permits the LLCs to issue LLC debt securities from time to time and LLC debt securities issued under such indenture will be issued as part of a series that has been established by an LLC under such indenture.

Unless otherwise specified in the applicable prospectus supplement, an LLC's only assets will be common or preferred stock of M&I. As a result, an LLC's ability to make payments on the LLC debt securities depends on its receipt of dividends from M&I.

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A prospectus supplement relating to a series of LLC debt securities being offered will include specific terms relating to the offering. These terms will include some or all of the following:

the title and type of the LLC debt securities;

any limit on the total principal amount of the LLC debt securities of that series;

the price at which the LLC debt securities will be issued;

the date or dates on which the principal of and any premium on the LLC debt securities will be payable;

the maturity date or dates of the LLC debt securities or the method by which those dates can be determined;

if the LLC debt securities will bear interest:

the interest rate on the LLC debt securities or the method by which the interest rate may be determined;

whether payment of interest will be contingent in any respect and/or the interest rate reset;

the date from which interest will accrue;

the record and interest payment dates for the LLC debt securities;

the first interest payment date; and

any circumstances under which an LLC may defer interest payments;

any remarketing or extension features of the LLC debt securities;

the place or places where:

an LLC can make payments on the LLC debt securities and we can make payments on our related guarantees;

the LLC debt securities and the related guarantees endorsed thereon can be surrendered for registration of transfer or exchange;
and

notices and demands can be given to an LLC relating to the LLC debt securities and to us with respect to our related guarantees
and under the indenture;

any optional redemption provisions that would permit an LLC or the holders of LLC debt securities to elect redemption of the LLC debt securities before their final maturity;

any sinking fund provisions that would obligate the issuing LLC to redeem its LLC debt securities before their final maturity;

whether the LLC debt securities will be convertible into or exchangeable for shares of our common stock, shares of preferred stock or our depositary shares and, if so, the terms and conditions of any such conversion or exchange, and, if convertible into or exchangeable for shares of preferred stock or depositary shares, the terms of such preferred stock or depositary shares;

if the LLC debt securities will be issued in bearer form, the terms and provisions contained in the bearer securities and in the indenture specifically relating to the bearer securities;

the currency or currencies in which the LLC debt securities will be denominated and payable, if other than U.S. dollars and, if a composite currency, any special provisions relating thereto;

any circumstances under which the LLC debt securities may be paid in a currency other than the currency in which the LLC debt securities are denominated and any provisions relating thereto;

whether the provisions described below under the heading `Defeasance and Discharge` apply to the LLC debt securities;

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any events of default which will apply to the LLC debt securities in addition to those contained in the indenture and any events of default contained in the indenture which will not apply to the LLC debt securities;

any additions or changes to or deletions of the covenants contained in the indenture and the ability, if any, of the holders to waive an LLC's compliance with those additional or changed covenants;

whether all or part of the LLC debt securities will be issued in whole or in part as temporary or permanent global securities and, if so, the depository for those global securities and a description of any book-entry procedures relating to the global securities a global security is a LLC debt security that an LLC issues in accordance with the indenture to represent all or part of a series of LLC debt securities;

if an LLC issues temporary global securities, any special provisions dealing with the payment of interest and any terms relating to the ability to exchange interests in a temporary global security for interests in a permanent global security or for definitive LLC debt securities;

the identity of the security registrar and paying agent for the LLC debt securities if other than the trustee;

any special tax implications of the LLC debt securities;

any special provisions relating to the payment of any additional amounts on the LLC debt securities;

the terms of any securities being offered together with or separately from the LLC debt securities;

the terms and conditions of any obligation or right of an LLC or a holder to convert or exchange the LLC debt securities into trust preferred securities or other securities of M&I; and

any other terms of the LLC debt securities and related guarantees.

When we use the term "holder" in this prospectus with respect to a registered debt security, we mean the person in whose name such debt security is registered in the security register.

Additional Interest

If the LLC debt securities are owned by a trust and the trust is required to pay any taxes, duties, assessments or governmental charges of whatever nature, other than withholding taxes, imposed by the United States, or any other taxing authority, then the issuing LLC or M&I will be required to pay additional interest on the related LLC debt securities. The amount of any additional interest will be an amount sufficient so that the net amounts received and retained by such trust after paying any such taxes, duties, assessments or other governmental charges will be not less than the amounts that such trust would have received had no such taxes, duties, assessments or other governmental charges been imposed. This means that the trust will be in the same position it would have been in if it did not have to pay such taxes, duties, assessments or other charges.

The Related M&I Guarantees

Unless specified otherwise in the applicable prospectus supplement, under the indenture we will unconditionally guarantee on a junior subordinated basis the payment by the related LLC of principal and interest when due (in the case of interest, subject to the LLC's deferral right, with our guarantee applying only at the end of the related extension period) on the LLC debt securities. Our guarantee of LLC debt securities will rank *pari passu* with our other guarantees of LLC debt securities, our trust preferred securities guarantees and our junior subordinated debt securities as described under Description of M&I Junior Subordinated Debt Securities Subordination, and the term senior debt has the same meaning in this section as in that section.

Payment; Exchange; Transfer

The issuing LLC or M&I will designate a place of payment where holders can receive payment of the principal of and any premium and interest on the LLC debt securities. Even though an LLC or M&I will designate a place of payment, the LLC may elect to pay any interest on the LLC debt securities by mailing a

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check to the person listed as the owner of the LLC debt securities in the security register or by wire transfer to an account designated by that person in writing not less than ten days before the date of the interest payment. One of our affiliates may serve as the paying agent under the indenture. Unless stated otherwise in the applicable prospectus supplement, such LLC will pay interest on an LLC debt security:

on an interest payment date, to the person in whose name that LLC debt security is registered at the close of business on the record date relating to that interest payment date; and

on the date of maturity or earlier redemption or repayment, to the person who surrenders such debt security at the office of our appointed paying agent.

Any money that is paid to a paying agent for the purpose of making payments on the LLC debt securities and that remains unclaimed two years after the payments were due will, at such LLC's or M&I's request, be returned to such LLC or M&I and after that time any holder of such debt security can only look to an LLC or M&I for the payments on such debt security.

Any LLC debt securities of a series can be exchanged for other LLC debt securities of that series issued by the same LLC so long as such other debt securities are denominated in authorized denominations and have the same aggregate principal amount and same terms as the LLC debt securities that were surrendered for exchange. The LLC debt securities may be presented for registration of transfer, duly endorsed or accompanied by a satisfactory written instrument of transfer, at the office or agency maintained by the issuing LLC for that purpose in a place of payment. There will be no service charge for any registration of transfer or exchange of the LLC debt securities, but the issuing LLC may require holders to pay any tax or other governmental charge payable in connection with a transfer or exchange of the LLC debt securities. If the applicable prospectus supplement refers to any office or agency, in addition to the security registrar, initially designated by an LLC where holders can surrender the LLC debt securities for registration of transfer or exchange, such LLC may at any time rescind the designation of any such office or agency or approve a change in the location. However, an LLC will be required to maintain an office or agency in each place of payment for that series.

In the event of any redemption, neither the issuing LLC nor the trustee will be required to:

issue, register the transfer of, or exchange, LLC debt securities of any series during a period beginning at the opening of business 15 days before the day of publication or mailing of the notice of redemption and ending at the close of business on the day of such publication or the mailing of such notice; or

transfer or exchange any LLC debt securities so selected for redemption, except, in the case of any LLC debt securities being redeemed in part, any portion thereof not to be redeemed.

Denominations

Unless stated otherwise in the applicable prospectus supplement, the LLC debt securities will be issued only in registered form, without coupons, in denominations of \$1,000 each or multiples of \$1,000.

Bearer Debt Securities

If an LLC ever issues bearer debt securities, the applicable prospectus supplement will describe all of the special terms and provisions of LLC debt securities in bearer form, and the extent to which those special terms and provisions are different from the terms and provisions which are described in this prospectus, which generally apply to LLC debt securities in registered form, and will summarize provisions of the indenture that relate specifically to bearer debt securities.

Original Issue Discount

LLC debt securities may be issued under the indenture as original issue discount securities and sold at a substantial discount below their stated principal amount. If a LLC debt security is an original issue discount security, that means that an amount less than the principal amount of such debt security will be due and payable

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upon a declaration of acceleration of the maturity of such debt security under the indenture. The applicable prospectus supplement will describe the federal income tax consequences and other special factors you should consider before purchasing any original issue discount securities.

Option to Defer Interest Payments

If provided in the applicable prospectus supplement, the issuing LLC will have the right from time to time to defer payment of interest on a series of its LLC debt securities for up to such number of consecutive interest payment periods as may be specified in the applicable prospectus supplement, subject to the terms, conditions and covenants, if any, specified in such prospectus supplement. Such deferral, however, may not extend beyond the stated maturity of such LLC debt securities. Certain United States federal income tax consequences and special considerations applicable to any such debt securities will be described in the applicable prospectus supplement.

Restrictions on Certain Payments, Including on Deferral of Interest

Unless otherwise specified in the applicable prospectus supplement, if:

there shall have occurred and be continuing any event that, with the giving of notice or the lapse of time, or both, would be an event of default with respect to a series of LLC debt securities of which we have actual knowledge and which we have not taken reasonable steps to cure;

the LLC debt securities of a series are held by a trust and we shall be in default relating to its payment of any obligations under the corresponding guarantee; or

the issuing LLC shall have given notice of its election to defer payments of interest on a series of its LLC debt securities by extending the interest payment period and such period, or any extension of such period, shall be continuing;

then:

we shall not declare or pay any dividends or distributions on, or redeem, purchase, acquire or make a liquidation payment with respect to, any shares of our capital stock;

we shall not make any payment of principal of or interest or premium, if any, on or repay, repurchase or redeem any debt securities that rank equally with or junior to our related guarantees described above under The Related M&I Guarantees ; and

we shall not make any payment under any guarantee that ranks equally with or junior to our related guarantees.

The restrictions listed above do not apply to:

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any repurchase, redemption or other acquisition of shares of our capital stock in connection with (1) any employment contract, benefit plan or other similar arrangement with or for the benefit of any one or more employees, officers, directors, consultants or independent contractors, (2) a dividend reinvestment or stockholder purchase plan, or (3) our issuance of capital stock, or securities convertible into or exercisable for such capital stock, as consideration in an acquisition transaction entered into prior to the applicable event of default, default or extension period, as the case may be;

any exchange, redemption or conversion of any class or series of our capital stock, or the capital stock of one of our subsidiaries, for any other class or series of our capital stock, or of any class or series of our indebtedness for any class or series of our capital stock;

any purchase of fractional interests in shares of our capital stock pursuant to the conversion or exchange provisions of such capital stock or the securities being converted or exchanged;

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any declaration of a dividend in connection with any rights plan, or the issuance of rights, stock or other property under any rights plan, or the redemption or repurchase of rights pursuant thereto;

payments by us under any guarantee agreement executed for the benefit of the holders of the trust preferred securities; or

any dividend in the form of stock, warrants, options or other rights where the dividend stock or stock issuable upon exercise of such warrants, options or other rights is the same stock as that on which the dividend is being paid or ranks equally with or junior to such stock.

Redemption

Unless otherwise specified in the applicable prospectus supplement, the LLC debt securities will not be subject to any sinking fund and will not be redeemable at the option of the holder.

Unless otherwise specified in the applicable prospectus supplement, the issuing LLC may, at its option and subject to receipt of prior approval by the Federal Reserve, if required, redeem its LLC debt securities of any series in whole at any time or in part from time to time. If LLC debt securities of any series are redeemable only on or after a specified date or upon the satisfaction of additional conditions, the applicable prospectus supplement will specify such date or describe such conditions. Except as otherwise specified in the applicable prospectus supplement, the redemption price for any LLC debt security so redeemed will equal 100% of the principal amount of such LLC debt security plus accrued and unpaid interest (including additional interest) to the redemption date.

Except as otherwise specified in the applicable prospectus supplement, the issuing LLC may, at its option and subject to receipt of prior approval by the Federal Reserve, if required, redeem a series of its LLC debt securities in whole, but not in part, at any time within 90 days after the occurrence of a tax event, investment company event or capital treatment event, each as defined below, at a redemption price equal to 100% of the principal amount of such LLC debt securities then outstanding plus accrued and unpaid interest (including additional interest) to the redemption date.

Unless otherwise specified in the applicable prospectus supplement, the term *tax event* means the receipt by a trust of an opinion of counsel experienced in such matters to the effect that, as a result of any amendment to, or change in, including any announced proposed change in, the laws or regulations of the United States or any political subdivision or taxing authority thereof or therein, or as a result of any official administrative pronouncement or judicial decision interpreting or applying such laws or regulations, which amendment or change is effective or which proposed change, pronouncement or decision is announced on or after the date of the prospectus supplement relating to issuance of trust preferred securities by such trust, there is more than an insubstantial risk that:

such trust is, or will be within 90 days of the date of such opinion, subject to United States federal income tax with respect to income received or accrued on the corresponding series of LLC debt securities;

interest payable by an LLC on such series of corresponding LLC debt securities is not, or within 90 days of the date of such opinion, will not be, deductible by M&I, in whole or in part, for United States federal income tax purposes in its consolidated federal income tax return; or

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such trust is, or will be within 90 days of the date of such opinion, subject to more than a de minimis amount of other taxes, duties or other governmental charges.

Unless otherwise specified in the applicable prospectus supplement, the term "investment company event" means the receipt by a trust of an opinion of counsel experienced in such matters to the effect that, as a result of the occurrence of a change in law or regulation or a written change, including any announced prospective change, in interpretation or application of law or regulation by any legislative body, court, governmental agency or

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regulatory authority, there is more than an insubstantial risk that such trust is or will be considered an investment company that is required to be registered under the Investment Company Act of 1940, which change or prospective change becomes effective or would become effective, as the case may be, on or after the date of the prospectus supplement relating to the issuance of the trust preferred securities.

Unless otherwise specified in the applicable prospectus supplement, the term capital treatment event means our reasonable determination that, as a result of any amendment to, or change in, including any announced prospective change in, the laws or regulations of the United States or any political subdivision thereof or therein, or as a result of any official or administrative pronouncement or action or judicial decision interpreting or applying such laws or regulations, which amendment or change is effective or which pronouncement, action or decision is announced on or after the date of the prospectus supplement relating to issuance of trust preferred securities by such trust, there is more than an insubstantial risk that M&I will not be entitled to treat an amount equal to the liquidation amount of such trust preferred securities as Tier I capital, or the then-equivalent thereof, for purposes of the capital adequacy guidelines of the Federal Reserve, as then in effect and applicable to M&I.

Notice of any redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each holder of LLC debt securities to be redeemed at its registered address. However, if the debt securities are held by a trust, notice shall be mailed at least 45 days but not more than 75 days before the redemption date. Unless an LLC defaults in payment of the redemption price, on and after the redemption date, interest will cease to accrue on such LLC debt securities or portions thereof called for redemption.

Limitation on Mergers and Sales of Assets

The indenture generally permits a consolidation or merger between us and another entity. It also permits the sale or transfer by us of all or substantially all of our property and assets. These transactions are permitted if:

the resulting or acquiring entity, if other than us, is organized and existing under the laws of a domestic jurisdiction and assumes all of our responsibilities and liabilities under the indenture, including our guarantee of the LLC debt securities;

immediately after the transaction, and giving effect to the transaction, no event of default under the indenture exists; and

certain other conditions as prescribed in the indenture are met.

If we consolidate or merge with or into any other entity or sell or lease all or substantially all of our assets according to the terms and conditions of the indenture, the resulting or acquiring entity will be substituted for us in such indenture with the same effect as if it had been an original party to the indenture. As a result, such successor entity may exercise our rights and powers under the indenture, in our name and, except in the case of a lease of all or substantially all of our properties and assets, we will be released from all our liabilities and obligations under such indenture.

An LLC may not merge with or into, consolidate, amalgamate, or be replaced by, or convey, transfer or lease its properties and assets substantially as an entirety to us or any other person, except as described below or as otherwise described in the applicable prospectus supplement. Such LLC may, at our request, with the consent of M&I but without the consent of the holders of the LLC debt securities or the trustee, merge with or into, consolidate, amalgamate, or be replaced by, or convey, transfer or lease its properties and assets substantially as an entirety to, an LLC or trust organized as such under the laws of any state if:

such successor entity either:

expressly assumes all of the obligations of such LLC with respect to the LLC debt securities, or

substitutes for the LLC debt securities other securities having substantially the same terms as the LLC debt securities, or the successor securities, so long as the successor securities rank the same

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as the LLC debt securities in priority with respect to distributions and payments upon liquidation, redemption and otherwise;

the successor securities are listed, or any successor securities will be listed upon notification of issuance, on any national securities exchange or other organization on which the LLC debt securities are then listed, if any;

such merger, consolidation, amalgamation, replacement, conveyance, transfer or lease does not cause the LLC debt securities, including any successor securities, to be downgraded by any nationally recognized statistical rating organization;

such merger, consolidation, amalgamation, replacement, conveyance, transfer or lease does not adversely affect the rights, preferences and privileges of the holders of the LLC debt securities, including any successor securities, in any material respect;

such successor entity has a purpose substantially identical to that of such LLC;

prior to such merger, consolidation, amalgamation, replacement, conveyance, transfer or lease, we have received an opinion from independent counsel to such LLC experienced in such matters to the effect that:

such merger, consolidation, amalgamation, replacement, conveyance, transfer or lease does not adversely affect the rights, preferences and privileges of the holders of the LLC debt securities, including any successor securities, in any material respect, and

following such merger, consolidation, amalgamation, replacement, conveyance, transfer or lease, neither such LLC nor such successor entity will be required to register as an investment company under the Investment Company Act; and

we or any permitted successor or assignee owns all of the common securities of such successor entity and guarantees the obligations of such successor entity under the successor securities at least to the extent provided by the applicable guarantee.

Notwithstanding the foregoing, an LLC may not, except with the consent of holders of 100% of the LLC debt securities, consolidate, amalgamate, merge with or into, or be replaced by or convey, transfer or lease its properties and assets substantially as an entirety to any other entity or permit any other entity to consolidate, amalgamate, merge with or into, or replace it if such consolidation, amalgamation, merger, replacement, conveyance, transfer or lease would cause the LLC or the successor entity to be classified as other than a disregarded entity or grantor trust for United States federal income tax purposes.

Events of Default, Waiver and Notice

Unless otherwise specified in the applicable prospectus supplement, an event of default when used in the indenture with respect to any series of LLC debt securities, means any of the following:

failure to pay interest (including any additional interest) on an LLC debt security of that series for 30 days after the payment is due (subject to the deferral of any due date in the case of an extension period);

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failure to pay the principal of or any premium on any LLC debt security of that series when due whether at maturity, upon redemption or otherwise;

certain events in bankruptcy, insolvency or reorganization of M&I or an LLC; or

any other event of default that may be specified for the LLC debt securities of that series when that series is created.

If an event of default under the indenture occurs and continues, the trustee or the holders of at least 25% in aggregate principal amount of the outstanding LLC debt securities of that series may declare the entire principal and all accrued but unpaid interest of all debt securities of that series to be due and payable immediately. If the

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trustee or the holders of LLC debt securities do not make such declaration and the LLC debt securities of that series are held by a trust or trustee of such trust, the property trustee or the holders of at least 25% in aggregate liquidation amount of the related trust preferred securities shall have such right.

If such a declaration occurs, the holders of a majority of the aggregate principal amount of the outstanding LLC debt securities of that series can, subject to certain conditions (including, if the LLC debt securities of that series are held by a trust or a trustee of such trust, the consent of the holders of at least a majority in aggregate liquidation amount of the related trust preferred securities), rescind the declaration. If the holders of such LLC debt securities do not rescind such declaration and such LLC debt securities are held by a trust or trustee of such trust, the holders of at least a majority in aggregate liquidation amount of the related trust preferred securities shall have such right.

The holders of a majority in aggregate principal amount of the outstanding LLC debt securities of any series may, on behalf of all holders of that series, waive any past default, except:

a default in payment of principal of or any premium or interest; or

a default under any provision of the indenture which itself cannot be modified or amended without the consent of the holder of each outstanding LLC debt security of that series.

If the LLC debt securities of that series are held by a trust or a trustee of such trust, any such waiver shall require a consent of the holders of at least a majority in aggregate liquidation amount of the related trust preferred securities. If the holders of LLC debt securities do not waive such default, the holders of a majority in aggregate liquidation amount of the related trust preferred securities shall have such right.

The holders of a majority in principal amount of the LLC debt securities of any series affected shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee under the indenture.

The applicable LLC and M&I are each required to file an officers' certificate with the trustee each year that states, to the knowledge of the certifying officer, whether or not any defaults exist under the terms of the indenture.

If the LLC debt securities of any series are held by a trust or a trustee of such trust, a holder of the related trust preferred securities may institute a direct action if the issuing LLC fails to make interest or other payments on the corresponding LLC debt securities when due, taking account of any extension period. A direct action may be brought without first:

directing the property trustee to enforce the terms of the corresponding LLC debt securities or our related guarantees, or

suing such LLC or us to enforce the property trustee's rights under such LLC debt securities or our related guarantees.

This right of direct action cannot be amended in a manner that would impair the rights of the holders of trust preferred securities thereunder without the consent of all holders of affected trust preferred securities.

Covenants Contained in Indenture

The indenture does not contain restrictions on our ability to:

incur, assume or become liable for any type of debt or other obligation;

create liens on our property for any purpose; or

pay dividends or make distributions on our capital stock or repurchase or redeem our capital stock, except as set forth under Restrictions on Certain Payments, Including on Deferral of Interest above.

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The indenture does not require the maintenance of any financial ratios or specified levels of net worth or liquidity. In addition, the indenture does not contain any provisions which would require an issuing LLC or us to repurchase or redeem or modify the terms of any of the LLC debt securities upon a change of control or other event involving us which may adversely affect the creditworthiness of such LLC debt securities taking into account our related guarantee.

No Protection in the Event of a Highly Leveraged Transaction

The indenture does not protect holders from a sudden and dramatic decline in our credit quality resulting from takeovers, recapitalizations, or similar restructurings or other highly leveraged transactions.

Distribution of the LLC Debt Securities

If a series of LLC debt securities is owned by a trust, under circumstances involving the dissolution of the trust, which will be discussed more fully in the applicable prospectus supplement, the LLC debt securities may be distributed to the holders of the trust securities in liquidation of that trust, provided that any required regulatory approval is obtained. See Description of Trust Preferred Securities Liquidation Distribution upon Dissolution.

Modification of Indenture

Under the indenture, certain rights and obligations of the issuing LLC and us with respect to our related guarantees and certain of the rights of holders of the LLC debt securities may be modified or amended with the consent of the holders of at least a majority of the aggregate principal amount of the outstanding LLC debt securities of all series of such debt securities affected by the modification or amendment, acting as one class. However, the following modifications and amendments will not be effective against any holder without its consent:

a change in the stated maturity date of any payment of principal or interest, including any additional interest (other than to the extent set forth in the applicable LLC debt security);

a reduction in payments due on the LLC debt securities;

a change in the place of payment or currency in which any payment on the LLC debt securities is payable;

a limitation of a holder's right to sue such LLC for the enforcement of payments due on the LLC debt securities;

a reduction in the percentage of outstanding LLC debt securities required to consent to a modification or amendment of the indenture or required to consent to a waiver of compliance with certain provisions of such indenture or certain defaults under such indenture;

a reduction in the requirements contained in the indenture for quorum or voting;

a limitation of a holder's right, if any, to repayment of LLC debt securities at the holder's option;

a release of or change in our obligations as guarantor on a junior subordinated basis of the LLC debt securities other than in accordance with the terms of the indenture;

in the case of LLC debt securities convertible into common stock, a limitation of any right to convert such debt securities; and

a modification of any of the foregoing requirements contained in the indenture.

Under the indenture, the holders of at least a majority of the aggregate principal amount of the outstanding LLC debt securities of all series affected by a particular covenant or condition, acting as one class, may, on behalf of all holders of such series of debt securities, waive compliance with any covenant or condition contained

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in the indenture unless it is specified that such covenant or condition cannot be so waived at the time the series is established.

If the LLC debt securities are held by a trust or the trustee of such trust, no modification may be made that adversely affects the holders of the related trust preferred securities in any material respect, and no termination of the indenture may occur, and no waiver of any compliance with any covenant will be effective without the prior consent of a majority in liquidation amount of trust preferred securities of such trust. If the consent of the holder of each outstanding LLC debt security is required for such modification or waiver, no such modification or waiver shall be effective without the prior consent of each holder of related trust preferred securities.

The issuing LLC and the trustee may execute, without the consent of any holder of LLC debt securities, any supplemental indenture for the purposes of:

creating any new series of LLC debt securities;

evidencing the succession of another corporation to the LLC or us, as guarantor, and the assumption by such successor of the LLC's covenants contained in the indenture and the LLC debt securities;

adding covenants of the LLC or us for the benefit of the holders of all or any series of LLC debt securities, transferring any property to or with the trustee or surrendering any of the LLC's or our rights or powers under the indenture;

adding any additional events of default for all or any series of LLC debt securities;

changing or eliminating any restrictions on the payment of principal or premium, if any, on LLC debt securities in registered form, permitting and facilitating the issuance of LLC debt securities in uncertificated form and modifying certain provisions with respect to bearer securities, provided any such action shall not adversely affect the interests of the holders of the LLC debt securities of any series in any material respect;

changing or eliminating any of the provisions of the indenture, provided that any such change or elimination shall become effective only when there is no LLC debt security outstanding of any series created prior to the execution of such supplemental indenture which is entitled to the benefit of such provisions or shall not apply to any LLC debt security outstanding;

evidencing and providing for the acceptance of appointment under the indenture by a successor trustee with respect to the LLC debt securities of one or more series and adding to or changing any of the provisions of the indenture as shall be necessary to provide for or facilitate the administration of the trusts by more than one trustee in accordance with the indenture;

curing any ambiguity, correcting or supplementing any provision in the indenture which may be defective or inconsistent with any other provision therein or making any other provisions with respect to matters or questions arising under the indenture which shall not be inconsistent with any provision therein, provided such other provisions shall not adversely affect the interests of the holders of the LLC debt securities of any series in any material respect or, in the case of the LLC debt securities of a series issued to a trust and for so long as any of the corresponding series of trust preferred securities issued by such trust shall remain outstanding, the holders of such trust preferred securities; or

adding to, changing or eliminating any provision of the indenture as shall be necessary or desirable in accordance with any amendments to the Trust Indenture Act, provided such action shall not adversely affect the interest of the holders of LLC debt securities of any series in any material respect.

Defeasance and Discharge

Defeasance and Discharge. At the time a series of LLC debt securities is established under the indenture, the issuing LLC can provide that such debt securities of that series are subject to the defeasance and discharge

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provisions of that indenture. If so provided, an LLC will be discharged from its obligations on such debt securities of that series if:

such LLC deposits with the trustee, in trust, sufficient money or, if the LLC debt securities of that series are denominated and payable in U.S. dollars only, eligible instruments, to pay the principal, any interest, any premium and any other sums due on such debt securities of that series, such as sinking fund payments, on the dates the payments are due under the indenture and the terms of such debt securities;