

MARSHALL & ILSLEY CORP/WI/  
Form 11-K  
June 29, 2006

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

Form 11-K

(Mark One)

- ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2005

OR

- TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 1-15403

- A. Full title of the plan and the address of the plan, if different  
from that of the Issuer named below:

NYCE Corporation - Employees' Tax Deferred Savings Plan

- B. Name of the issuer of the securities held pursuant to the plan and  
the address of its principal executive office:

MARSHALL & ILSLEY CORPORATION  
770 North Water Street  
Milwaukee, Wisconsin 53202

Financial Statement and Exhibits  
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- (a) Financial Statements:  
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NYCE Corporation - Employees' Tax Deferred Savings Plan  
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Independent Auditors' Report.  
Statements of Net Assets Available for Benefits  
as of December 31, 2005 and 2004.  
Statements of Changes in Net Assets Available for Benefits  
for the Years Ended December 31, 2005 and 2004.  
Notes to Financial Statements.  
Supplemental Schedule, Form 5500, Schedule H,  
Part IV, Line 4(i)  
Schedule of Assets (Held at End of Year)  
as of December 31, 2005.

- (b) Exhibits:

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23 Consent of Independent Registered Public Accounting Firm -  
Deloitte & Touche LLP

NYCE CORPORATION EMPLOYEES'TAX  
DEFERRED SAVINGS PLAN

Financial Statements as of  
December 31, 2005 and 2004,  
and for the Year Ended  
December 31, 2005, and Supplemental  
Schedule as of December 31, 2005, and  
Report of Independent Registered  
Public Accounting Firm

NYCE CORPORATION EMPLOYEES'TAX  
DEFERRED SAVINGS PLAN

TABLE OF CONTENTS

-----

|  | Page |
|--|------|
| REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM  | 1    |
| FINANCIAL STATEMENTS:  |      |
| Statements of Net Assets Available for Benefits<br>as of December 31, 2005 and 2004                              | 2    |
| Statements of Changes in Net Assets Available for Benefits<br>for the Year Ended December 31, 2005               | 3    |
| Notes to Financial Statements  | 4-8  |
| SUPPLEMENTAL SCHEDULE -  | 9    |
| Form 5500, Schedule H, Part IV, Line 4i -<br>Schedule of Assets (Held at End of Year)<br>as of December 31, 2005 | 10   |

NOTE: All other schedules required by Section 2520.103-10 of the  
Department of Labor's Rules and Regulations for Reporting  
and Disclosure under the Employee Retirement Income Security  
Act of 1974 have been omitted because they are not applicable.

1

[Deloitte & Touche LLP Letterhead]

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Plan Administrator and Participants of the  
NYCE Corporation Employees' Tax Deferred Savings Plan:

We have audited the accompanying statements of net assets available for  
benefits of the NYCE Corporation Employees' Tax Deferred Savings Plan (the  
"Plan") as of December 31, 2005 and 2004, and the related statement of  
changes in net assets available for benefits for the year ended December  
31, 2005. These financial statements are the responsibility of the Plan's  
management. Our responsibility is to express an opinion on these financial  
statements based on our audits.

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We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2005 and 2004, and the changes in net assets available for benefits for the year ended December 31, 2005, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2005 is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This schedule is the responsibility of the Plan's management. Such schedule has been subjected to the auditing procedures in our audits of the basic 2005 financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

Milwaukee, Wisconsin  
June 27, 2006

/s/ Deloitte & Touche LLP

June 27, 2006

2  
NYCE CORPORATION EMPLOYEES' TAX  
DEFERRED SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS  
AS OF DECEMBER 31, 2005 AND 2004

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|                                    | 2005          | 2004          |
|------------------------------------|---------------|---------------|
|                                    | -----         | -----         |
| INVESTMENTS - At fair market value | \$ 20,047,764 | \$ 23,517,424 |
| LOANS TO PARTICIPANTS              | 392,510       | 742,315       |
|                                    | -----         | -----         |

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|                                   |               |               |
|-----------------------------------|---------------|---------------|
| Total investments                 | 20,440,274    | 24,262,044    |
| RECEIVABLES:                      |               |               |
| Employer contribution             | --            | 37,457        |
| Employee contributions            | --            | 59,543        |
| Accrued investment income         | 12,416        | --            |
|                                   | -----         | -----         |
| Total receivables                 | 12,416        | 97,000        |
|                                   | -----         | -----         |
| NET ASSETS AVAILABLE FOR BENEFITS | \$ 20,452,690 | \$ 24,359,044 |
|                                   | =====         | =====         |

See notes to financial statements.

3  
 NYCE CORPORATION EMPLOYEES' TAX  
 DEFERRED SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
 FOR THE YEAR ENDED DECEMBER 31, 2005

|   |              |
|---|--------------|
|   | 2005         |
|   | -----        |
| INVESTMENT INCOME:                                |              |
| Net appreciation in the fair value of investments | 831,936      |
| Interest and dividends                            | 304,602      |
|   | -----        |
| Net investment income                             | 1,136,538    |
| DEDUCTIONS:                                       |              |
| Benefits paid to participants                     | (5,042,893)  |
|   | -----        |
| Total deductions                                  | (5,042,893)  |
|   | -----        |
| DECREASE IN NET ASSETS                            | (3,906,355)  |
| NET ASSETS AVAILABLE FOR BENEFITS:                |              |
| Beginning of year                                 | 24,359,045   |
|   | -----        |
| End of year                                       | \$20,452,690 |
|   | =====        |

See notes to financial statements.

4  
 NYCE CORPORATION EMPLOYEES' TAX  
 DEFERRED SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS  
 AS OF DECEMBER 31, 2005 AND 2004,  
 AND FOR THE YEAR ENDED DECEMBER 31, 2005

1. DESCRIPTION OF THE PLAN

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The following description of the NYCE Corporation Employees' Tax Deferred Savings Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

General - The Plan is a defined contribution plan covering substantially all salaried employees of NYCE Corporation who had three months of service with the exception of leased, temporary, in-house temporary, in-house consultant, special project, free-lance, on-call, casual and bargaining unit employees. Marshall & Ilsley Trust Company (the "Trustee"), a subsidiary of the Corporation, serves as the trustee of the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, ("ERISA").

On July 30, 2004, NYCE Corporation (the "Company") merged with Marshall & Ilsley Corporation (the "Corporation") and participants in the Plan actively employed by the Company became 100% vested. The Plan's benefits were frozen as of December 31, 2004.

Effective January 1, 2005, each Plan participant was eligible to make the election to participate in the M&I Retirement Program - M&I Retirement Plan, a defined contribution plan which is subject to the provisions of the ERISA.

Contributions - Prior to the Plan being frozen, participants could elect to contribute 1% to 15% of their pretax annual compensation, as defined in the Plan, subject to certain Internal Revenue Code ("IRC") limitations. The Company also contributed 100% of the first 6% of base compensation that a participant contributed to the Plan. Participants could also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans.

Participant Accounts - Individual accounts are maintained for each Plan participant. Each participant's account is credited with the participant's contribution, the Company's matching contribution, and an allocation of Plan earnings, and charged with withdrawals and an allocation of Plan losses and administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting - Participants are vested immediately in their contributions plus actual earnings thereon. For participants not 100% vested as a result of the Company merger, vesting in the Company's contributions is based on continuous service. A participant vests 20% each year upon completing two years of service. A participant is 100% vested after completing six years of service.

Forfeitures - Prior to the Plan being frozen, forfeited nonvested accounts were used to reduce Company contributions. Subsequent to the Plan being frozen, forfeited nonvested accounts were used to pay administrative expenses and then allocated to participants.

5

Investments - Participants may direct the investment of their contributions into various investment options offered by the Plan.

Participant Loans - Participants may borrow from their vested accounts up to a maximum of \$50,000 or 50% of their account balance, whichever is less. The loans are secured by the balance in the

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participant's account. Principal and interest are paid ratably through payroll deductions. As of December 20, 2004, the Plan no longer offers new loans to participants. The loans were written with original terms of two to five years. The interest rates were based on prevailing market conditions and are fixed over the life of the note. Interest rates on participant loans at December 31, 2005 and 2004 ranged from 6.00% and 11.00% and 6.00% to 11.50%, respectively.

Payment of Benefits - Participants in the Plan or beneficiaries are eligible to receive a benefit upon their termination, normal retirement date, early retirement date, death, financial hardship, or disability, as defined, equal to the amount in their individual accounts.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

-----  
Basis of Accounting - The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Risks and Uncertainties - The Plan utilizes various investment instruments, including mutual funds and investment contracts. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Investment Valuation and Income Recognition - The Plan's investments are stated at fair value except for the Marshall & Ilsley Stable Principal Fund, which is valued at contract value (see Note 4), which approximates fair value. Quoted market prices are used to value investments. Shares of mutual funds are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year end. Participant loans are valued at the outstanding loan balances.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Management fees and operating expenses charged to the Plan for investments in the mutual funds are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction of investment return for such investments.

Administrative Expenses - Significantly all administrative expenses of the Plan were paid by the Corporation for the year ended December 31, 2005.

Payment of Benefits - Benefit payments to participants are recorded upon distribution.

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6

3. INVESTMENTS

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 The Plan's investments that represented 5% or more of the Plan's net assets available for benefits as of December 31, 2005 and 2004, are as follows:

|   | 2005         | 2004      |
|---|--------------|-----------|
|   | -----        | -----     |
| M&I Master Trust -                                    |              |           |
| Growth Balanced Fund *                                | \$ 2,933,936 |           |
| M&I Stable Principal Fund *                           | 2,610,339    |           |
| M&I Master Trust -                                    |              |           |
| Aggressive Balanced Fund *                            | 1,990,689    |           |
| Vanguard Institutional Index Fund                     | 1,629,023    |           |
| M&I Master Trust -                                    |              |           |
| Moderate Balanced Fund *                              | 1,422,438    |           |
| Goldman Sachs Small -                                 |              |           |
| Cap Value Fund  | 1,199,722    |           |
| Marshall Mid-Cap Value Fund *                         | 1,084,095    |           |
| Nicholas Fund   | 1,030,124    |           |
| Merrill Lynch Trust Company Pooled Separate Accounts: |              |           |
| AllianceBernstein Growth & Income Fund                |              | 5,819,969 |
| Merrill Lynch Retirement                              |              |           |
| Preservation Trust                                    |              | 4,903,415 |
| Merrill Lynch Fundamental                             |              |           |
| Growth Fund   |              | 1,792,753 |
| Merrill Lynch Balanced Capital Fund                   |              | 1,667,350 |
| Federated Bond Fund                                   |              | 1,424,699 |
| Seligman Communications and                           |              |           |
| Information Fund                                      |              | 1,235,047 |

\* - Represents party-in-interest

During the year ended December 31, 2005, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value as follows:

|   |            |
|---|------------|
| Mutual Funds                                  | \$ 390,543 |
| Master Trusts                                 | 467,208    |
| Pooled Separated Accounts                     | (25,815)   |
|   | -----      |
| Net appreciation in fair value of investments | \$ 831,936 |
|   | =====      |

4. GUARANTEED INVESTMENT CONTRACTS

-----  
 The Plan invests in the M&I Stable Principal Fund that invests in guaranteed investment contracts. Fully benefit-responsive investment contracts are valued at contract value, which represents the principal balance of the investment contracts, plus accrued interest at the stated contract rate, less payments received and contract

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charges by the insurance company. Under the terms of the investment contracts, the crediting interest rate is determined semi-annually based on the insurance company's applicable rate schedule. The aggregate average yield of the investment contracts for the year ended December 31, 2005 was 4.43%. The crediting interest rate for the investment contracts as of December 31, 2005 and 2004 was 4.59% and 4.31%, respectively. The fair value of the investment contracts as of December 31, 2005 and 2004 approximates the contract value. There are no limitations on guarantees of the contracts.

7

5. FEDERAL INCOME TAX STATUS

The Internal Revenue Service ("IRS") has determined and informed the Company by a letter dated January 14, 2004, that the Plan and related trust were designed in accordance with the applicable regulations of the IRC. The Plan has been amended since receiving the determination letter; however, the Corporation and Plan management believe that the Plan is currently designed and operated in compliance with the applicable requirements of the IRC and the Plan and related trust continue to be tax-exempt. Therefore, no provision for income taxes has been included in the Plan's financial statements.

6. EXEMPT PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are shares of mutual funds and unitized funds managed by the Corporation. The Corporation is the trustee as defined by the Plan and, therefore, these transactions qualify as exempt party-in-interest transactions. Fees paid by the Plan for investment management services were included as a reduction of the return earned on each fund.

7. PLAN TERMINATION

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA. In the event that the Plan is terminated, all participants would become 100% vested in their accounts.

8. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The reconciliation of net assets available for benefits per the financial statements to the Form 5500 as of December 31, 2005 and 2004, is as follows:

|  | 2005          | 2004          |
|--|---------------|---------------|
|  | -----         | -----         |
| Net assets available for benefits per the financial statements | \$ 20,452,690 | \$ 24,359,044 |
| Employer contribution receivable                               | --            | (37,457)      |
| Employee contribution receivable                               | --            | (59,543)      |
|  | -----         | -----         |
| Net assets available for benefits per the Form 5500            | \$ 20,452,690 | \$ 24,262,044 |
|  | =====         | =====         |

The reconciliation of benefits paid to participants per the financial statements to the Form 5500 for the year ended December 31, 2005, is



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as follows:

|                            |    |        |
|----------------------------|----|--------|
| Contribution               |    |        |
| Add: Prior-year employer   |    |        |
| contribution receivable    | \$ | 37,457 |
| Prior-year employee        |    |        |
| contribution receivable    |    | 59,543 |
|                            |    | -----  |
| Net assets available for   |    |        |
| benefits per the Form 5500 | \$ | 97,000 |
|                            |    | =====  |

8

9. VOLUNTARY COMPLIANCE RESOLUTION

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 In June 2006, the Corporation filed an application for a compliance statement from the IRS under the Voluntary Correction Program, a component of the Employee Plans Compliance Resolution System. The compliance statement was sought with respect to the following operational failure:

- \* During plan years 1999, 2000, 2001, 2002, and 2003, improper true-up matching contributions were calculated by a third-party administrator, and made by the Company.

The Corporation has yet to receive a response from the IRS.

\* \* \* \* \*

9

SUPPLEMENTAL SCHEDULE

10

NYCE CORPORATION EMPLOYEES' TAX  
 DEFERRED SAVINGS PLAN

FORM 5500, SCHEDULE H, PART IV, LINE 4i -  
 SCHEDULE OF ASSETS (HELD AT END OF YEAR)  
 AS OF DECEMBER 31, 2005

| ISSUER  | Description of Investment,<br>Including Current Maturity<br>Date, Rate of Interest,<br>Collateral, and Par or<br>Maturity Value | Current<br>Value |
|---|---|------------------|
| -----   | -----   | -----            |
| M&I Master Trust -<br>Growth Balanced Fund *      | Master Trust  | \$ 2,933,936     |
| M&I Stable<br>Principal Fund *                    | Common Collective Fund  | 2,610,339        |
| M&I Master Trust -<br>Aggressive Balanced<br>Fund | Master Trust  | 1,990,689        |
| Vanguard Institutional                            |   |                  |

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|   |                               |               |
|---|-------------------------------|---------------|
| Index Fund  | Registered Investment Company | 1,629,023     |
| M&I Master Trust -<br>Moderate Balanced<br>Fund * | Master Trust                  | 1,422,438     |
| Goldman Sachs Small-Cap<br>Value Fund             | Registered Investment Company | 1,199,722     |
| Marshall Mid-Cap<br>Value Fund *                  | Registered Investment Company | 1,084,095     |
| Nicholas Fund                                     | Registered Investment Company | 1,030,124     |
| Marshall Intermediate<br>Bond Fund *              | Registered Investment Company | 934,721       |
| Managers Special<br>Equity Fund                   | Registered Investment Company | 848,391       |
| Marshall Mid-Cap<br>Growth Fund *                 | Registered Investment Company | 829,318       |
| Marshall International<br>Stock Fund *            | Registered Investment Company | 755,610       |
| Marshall Large Cap<br>Value Fund *                | Registered Investment Company | 723,287       |
| M&I Master Trust -<br>Diversified Stock<br>Fund * | Master Trust                  | 649,553       |
| M&I Master Trust -<br>Aggressive Stock Fund *     | Master Trust                  | 395,747       |
| MFS Massachusetts<br>Growth Fund                  | Registered Investment Company | 391,081       |
| Marshall Large Cap<br>Growth & Income Fund *      | Registered Investment Company | 333,990       |
| M&I Master Trust -<br>Common Stock Fund *         | Master Trust                  | 292,811       |
| Various Participants *                            | Participant Loans             | 392,510       |
| Pending Trades                                    | Various                       | (7,111)       |
|   |                               | -----         |
|   |                               | \$ 20,440,274 |
|   |                               | =====         |

\* Represents party-in-interest

\*Represents party-in-interest.

SIGNATURES

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Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed by the undersigned thereunto duly authorized.

NYCE Corporation Employees'  
Tax Deferred Savings Plan

/s/ Dennis R. Salentine

\_\_\_\_\_  
Dennis R. Salentine  
Vice President, and  
Director of Corporate  
Benefits of the Marshall  
& Ilsley Corporation

Date: June 27, 2006