

NORTHERN TRUST CORP
Form 424B5
August 07, 2008
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CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Maximum Offering Price Per Unit	Maximum Aggregate Offering Price	Amount of Registration Fee(1)
5.50% Notes due 2013	\$400,000,000	100%	\$400,000,000	\$15,720

(1) Calculated in accordance with Rule 457(r) of the Securities Act of 1933.

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-152678

PROSPECTUS SUPPLEMENT

(To prospectus dated July 31, 2008)

\$400,000,000

Northern Trust Corporation

5.50% Notes due 2013

We will pay interest on the notes on August 15 and February 15 of each year beginning February 15, 2009. The notes will mature on August 15, 2013. We have no right to redeem the notes prior to their maturity.

The notes will be unsecured obligations and rank equally with our unsecured senior indebtedness. The notes will be issued only in registered form in minimum denominations of \$2,000 and in integral multiples of \$1,000 in excess thereof.

Investing in the notes involves risks that are described in the Risk Factors section beginning on page S-4 of this prospectus supplement.

	Per Note	Total
Public offering price(1)	99.611%	\$398,444,000
Underwriting discount	.30%	\$1,200,000
Proceeds, before expenses, to Northern Trust	99.311%	\$397,244,000

(1) Plus accrued interest from August 13, 2008, if settlement occurs after that date.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the notes or determined that this prospectus supplement or the accompanying prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

The notes will not be listed on any securities exchange. Currently, there is no public market for the notes.

The notes will be delivered to purchasers only in book-entry form through The Depository Trust Company, as depository, and its direct and indirect participants, including Euroclear Bank, S.A./N.V., as operator of the Euroclear System, and Clearstream Banking, société anonyme, against payment therefor on or about August 13, 2008.

Joint Book-Running Managers

Merrill Lynch & Co.

UBS Investment Bank

Goldman, Sachs & Co.

Loop Capital Markets, LLC

The Williams Capital Group, L.P.

The date of this prospectus supplement is August 6, 2008.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of the notes we are offering and certain other matters relating to us and our financial condition. The second part, the base prospectus, gives more general information about securities we may offer from time to time, some of which does not apply to the notes we are offering. Generally, when we refer to this prospectus, we are referring to both parts of this document combined. To the extent the description of the notes in this prospectus supplement differs from the description in the base prospectus, you should rely on the information in this prospectus supplement.

You should rely only on the information contained in this document or to which this document refers you, or other offering materials filed by us with the SEC. We have not authorized anyone, and we have not authorized the underwriters to authorize anyone, to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should assume that the information appearing in this prospectus supplement, the base prospectus and the documents incorporated by reference is accurate only as of their respective dates, regardless of the time of delivery of this prospectus supplement or any sale of the notes. Our business, financial condition, results of operations and prospects may have changed since those dates.

The notes are offered globally for sale in those jurisdictions in the United States, Europe, Asia and elsewhere where it is lawful to make such offers. See Underwriting.

The distribution of this prospectus supplement and the accompanying prospectus and the offering of the notes in certain jurisdictions may be restricted by law. Persons into whose possession this prospectus supplement and the accompanying prospectus come should inform themselves about and observe any such restrictions. This prospectus supplement and the accompanying prospectus do not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation. See Underwriting.

References herein to \$ and dollars are to the currency of the United States.

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SUMMARY

This summary highlights selected information from this prospectus supplement and the accompanying prospectus to help you understand us and the notes. The Supplemental Description of Notes section of this prospectus supplement and the Description of Debt Securities section of the accompanying prospectus contain more detailed information regarding the terms and conditions of the notes. You should carefully read this prospectus supplement and the accompanying prospectus to fully understand the terms of the notes and the other considerations that are important to you in making a decision about whether to invest in the notes.

Unless otherwise indicated, references in this prospectus supplement to Northern Trust, the Corporation, we, us and our are to Northern Trust Corporation and its consolidated subsidiaries. References to the Bank are to The Northern Trust Company.

Northern Trust Corporation

We are a financial holding company that is a leading provider of investment management, asset and fund administration, fiduciary and banking solutions for corporations, institutions and affluent individuals. We have a network of 85 offices in 18 U.S. states and have offices in 15 international locations outside the U.S. We conduct business through various U.S. and non-U.S. subsidiaries, including the Bank. At June 30, 2008, we had assets under custody of \$4.0 trillion, assets under management of \$751.4 billion, consolidated total assets of approximately \$74.8 billion and stockholders' equity of approximately \$5.0 billion. As of December 31, 2007, Northern Trust was the largest bank holding company headquartered in Illinois and the 17th largest in the United States based on consolidated total assets of approximately \$67.6 billion on that date.

The Bank is an Illinois banking corporation headquartered in the Chicago financial district and our principal subsidiary. Founded in 1889, the Bank conducts business through its U.S. operations, its Canada, London and Singapore branches, and various U.S. and non-U.S. subsidiaries. At June 30, 2008, the Bank had consolidated assets of \$65.2 billion and common equity capital of \$3.8 billion.

We expect that, although the operations of other banking and non-banking subsidiaries will continue to be of increasing significance, the Bank will in the foreseeable future continue to be the major source of our consolidated assets, revenues and net income.

Business Units

We organize our services globally around our two client-focused principal business units: Corporate and Institutional Services (C&IS) and Personal Financial Services (PFS). Two other business units provide services to the two principal business units: Northern Trust Global Investments (NTGI), which provides investment management, and Worldwide Operations and Technology (WWOT), which provides operating and systems support. For financial management reporting purposes, the operations of NTGI and WWOT are allocated to the two principal business units.

The following is a brief summary of each business unit's activities and the activities of the Corporate Financial Management Group and the Corporate Risk Management Group.

Corporate and Institutional Services

C&IS is a leading global provider of asset servicing, asset management and related services to corporate and public retirement funds, foundations, endowments, fund managers, insurance companies and government funds. C&IS also offers a full range of commercial banking services, placing special emphasis on developing and supporting institutional relationships in two target markets: large and mid-sized corporations and financial institutions. Asset servicing, asset management, and related services encompass a full range of state-of-the-art capabilities including: global master trust and custody, trade settlement and reporting; fund administration; cash

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management; and investment risk and performance analytical services. Client relationships are managed through the Bank and the Bank's and the Corporation's non-U.S. subsidiaries, including support from international locations in North America, Europe, the Asia-Pacific region and the Middle East. Asset servicing relationships managed by C&IS often include investment management, securities lending, transition management, and commission recapture services provided through NTGI. C&IS also provides related foreign exchange services in the U.S., U.K., Guernsey, and Singapore. At June 30, 2008, total C&IS assets under custody were \$3.6 trillion, and assets under management were \$608.6 billion.

Personal Financial Services

PFS provides personal trust, investment management, custody, and philanthropic services; financial consulting; guardianship and estate administration; qualified retirement plans; and private and business banking. PFS focuses on high net worth individuals and families, business owners, executives, professionals, retirees and established privately-held businesses in its target markets. PFS also includes the Wealth Management Group, which provides customized products and services to meet the complex financial needs of individuals and family offices in the United States and throughout the world with assets typically exceeding \$200 million.

PFS is one of the largest providers of personal trust services in the United States, with \$325.9 billion in assets under custody and \$142.8 billion in assets under management at June 30, 2008. PFS services are delivered through a network of 85 offices in 18 U.S. states, as well as offices in London and Guernsey.

Northern Trust Global Investments

NTGI, through various subsidiaries of the Corporation, provides a broad range of investment management and related services and other products to U.S. and non-U.S. clients of C&IS and PFS. Clients include institutional and individual separately managed accounts, bank common and collective funds, registered investment companies, non-U.S. collective investment funds and unregistered private investment funds. NTGI offers both active and passive equity and fixed income portfolio management, as well as alternative asset classes (such as private equity and hedge funds of funds) and multi-manager products and services. NTGI's activities also include brokerage, securities lending, transition management and related services. NTGI's business operates internationally through subsidiaries, joint ventures, alliances and distribution arrangements.

Worldwide Operations and Technology

WWOT supports all of our business activities, including the processing and product management activities of C&IS, PFS and NTGI. These activities are conducted principally in the operations and technology centers in Chicago, London and Bangalore and fund administration centers in Ireland.

Corporate Financial Management Group

The Corporate Financial Management Group includes the Chief Financial Officer, Corporate Controller, Corporate Treasurer, Corporate Development, Investor Relations and Strategic Sourcing functions. The Group is responsible for Northern Trust's accounting and financial infrastructure and for managing Northern Trust's financial position.

Corporate Risk Management Group

The Corporate Risk Management Group includes the Credit Policy and other Corporate Risk Management functions. Credit Policy manages credit risk for Northern Trust's diverse credit-related activities by establishing and monitoring all credit-related policies and practices throughout Northern Trust and assuring their uniform application. The Corporate Risk Management Group monitors, measures and facilitates the management of risks across Northern Trust's businesses.

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The Offering

Issuer	Northern Trust Corporation
Securities offered	\$400,000,000 aggregate principal amount of 5.50% notes due 2013.
Maturity date	The notes will mature on August 15, 2013.
Interest rate	The interest rate on the notes will be 5.50% per annum.
Interest payment dates	Each August 15 and February 15, commencing February 15, 2009.
Ranking	The notes will be senior, unsecured obligations of Northern Trust Corporation ranking equally in right of payment with other senior indebtedness of Northern Trust Corporation. The Indenture does not limit the amount of debt that Northern Trust Corporation or any of its subsidiaries may incur.
Redemption	We have no right to redeem the notes prior to maturity.
Use of proceeds	The net proceeds, after estimated expenses, to us from the sale of the notes offered hereby will be approximately \$396,594,000, which we will use for general corporate purposes, including the funding of additional contributions to the capital of our subsidiaries.
Risk factors	See Risk Factors and other information in this prospectus supplement and the accompanying prospectus for a discussion of factors you should carefully consider before deciding to invest in the notes.
For additional information regarding the notes, see	Supplemental Description of the Notes on page S-7.

Recent Development

Concurrent with this offering of notes by the Corporation, the Bank is offering \$300,000,000 aggregate principal amount of its 6.50% Subordinated Notes due 2018. The underwriters of this offering are also serving as the underwriters of the Bank's concurrent offering of Subordinated Notes. Neither offering is contingent upon the successful completion of the other.

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RISK FACTORS

In deciding whether to invest in the notes, you should consider carefully the following factors that could materially adversely affect our operating results and financial condition, and the value of your investment in the notes. Although we have tried to discuss key factors, please be aware that other risks may prove to be important in the future. New risks may emerge at any time, and we cannot predict those risks or estimate the extent to which they may affect our financial performance. You should also consider the information included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2007, including the Risk Factors described in that report and the Factors Affecting Future Results described in our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2008, as well as any subsequent reports on Form 8-K we may file. Each of the risks described below could result in a decrease in the value of the notes and your investment therein.

We are a holding company, and as a result we are dependent on dividends from our subsidiaries, including the Bank, to meet our obligations, including with respect to the notes.

We are a non-operating holding company, whose principal asset and source of income is our investment in the Bank. We are a legal entity separate and distinct from the Bank and our other subsidiaries and, therefore, rely primarily on dividends from these subsidiaries to meet our obligations, including with respect to the notes, and to provide funds for payment of dividends to our shareholders, to the extent declared by our board of directors. There are various legal limitations on the extent to which the Bank and our other subsidiaries can finance or otherwise supply funds to us (by dividend or otherwise) and certain of our affiliates. Although we maintain cash positions for liquidity at the holding company level, if the Bank or other of our subsidiaries were unable to supply us with cash over time, we could be unable to meet our obligations, including with respect to the notes. See **Certain Regulatory Considerations Restrictions on Payment of Dividends** in the accompanying prospectus.

Because we are a holding company, our rights and the rights of our creditors, including the holders of the notes, to a share of the assets of any subsidiary upon the liquidation or recapitalization of the subsidiary will be subject to the prior claims of the subsidiary's creditors (including, in the case of the Bank and our other banking subsidiaries, its depositors), except to the extent that we may ourselves be a creditor with recognized claims against the subsidiary. Accordingly, the notes will be effectively subordinated to all existing and future liabilities of our subsidiaries.

There may not be any trading market for the notes; many factors affect the trading market and value of the notes.

Upon issuance, the notes will not have an established trading market. We cannot assure you that a trading market for the notes will ever develop or be maintained if developed. In addition to our creditworthiness, many factors affect the trading market for, and trading value of, the notes. These factors include:

the time remaining to the maturity of the notes,

the outstanding amount of notes with terms identical to the notes offered in this prospectus supplement

the redemption or repayment features, if any, of the notes, and

the level, direction and volatility of market interest rates generally.

You should also be aware that there may be a limited number of buyers when you decide to sell your notes. This may affect the price you receive for your notes or your ability to sell your notes at all.

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Our credit ratings may not reflect all risks of an investment in the notes.

Our credit ratings are an assessment of our ability to pay our obligations. Consequently, real or anticipated changes in our credit ratings will generally affect the market value of the notes. Our credit ratings, however, may not reflect the potential impact of risks related to market or other factors discussed above on the value of the notes.

INCORPORATION BY REFERENCE

We are subject to the informational reporting requirements of the Securities Exchange Act of 1934. You may read and copy any document that we file at the public reference facilities of the SEC at 100 F Street, N.E., Washington, D.C. 20549. Information on the operation of the public reference facilities may be obtained by calling the SEC at 1-800-SEC-0330. You may also inspect our annual, quarterly and current reports, any proxy statements and other information over the Internet at the SEC's home page at <http://www.sec.gov>.

The SEC allows us to incorporate by reference information into this prospectus supplement and the accompanying prospectus. This means that we can disclose important information to you by referring you to another document that we have filed separately with the SEC. The information incorporated by reference is considered to be part of this prospectus supplement and the accompanying prospectus. Information that we file with the SEC after the date of this prospectus supplement will automatically modify and supersede the information included or incorporated by reference in this prospectus supplement and the accompanying prospectus to the extent that the subsequently filed information modifies or supersedes the existing information. We incorporate by reference:

our Annual Report on Form 10-K for the fiscal year ended December 31, 2007;

our Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2008 and June 30, 2008;

our Current Reports on Form 8-K dated January 11, 2008, February 22, 2008 and July 16, 2008; and

any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 until we sell all of the notes offered by this prospectus supplement.

You may request a copy of any of these filings at no cost by writing to or telephoning us at the following address and telephone number: Northern Trust Corporation, 50 South LaSalle Street, Chicago, Illinois 60603, Attention: Corporate Secretary, Telephone: (312) 444-3714. These filings are also available on the website we maintain at www.northerntrust.com. The information contained at our Internet site is not incorporated by reference in this prospectus supplement, and you should not consider it a part of this prospectus supplement.

USE OF PROCEEDS

The net proceeds, after estimated expenses, to us from the sale of the notes offered hereby will be approximately \$396,594,000. We will use the funds for general corporate purposes, including the funding of additional contributions to the capital of our subsidiaries.

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The following table shows our capitalization and short-term indebtedness at June 30, 2008 (1) on a consolidated basis, (2) on a consolidated basis as adjusted to reflect the issuance and sale of the notes and (3) on a consolidated basis as further adjusted to reflect the issuance and sale of \$300,000,000 of Subordinated Notes by the Bank as described under *Recent Development* on page S-3. This table should be read in conjunction with our consolidated financial statements and related notes for the six months ended June 30, 2008, incorporated by reference in this prospectus supplement and the accompanying prospectus. See *Where You Can Find More Information* in the accompanying prospectus.

	June 30, 2008		
	Actual	As Adjusted (in millions)	As Further Adjusted
Senior notes (excluding amounts due within one year)	\$ 653.4	\$ 1,053.4	\$ 1,053.4
Long-term debt (excluding amounts due within one year)	2,358.7	2,358.7	2,658.7
Floating rate capital debt	276.6	276.6	276.6
Stockholders' equity	4,964.1	4,964.1	4,964.1
Total capitalization	\$ 8,252.8	\$ 8,652.8	\$ 8,952.8
Short-term borrowings (including current portion of long-term and senior debt)	\$ 3,286.3	\$ 3,286.3	\$ 3,286.3

RATIOS OF EARNINGS TO FIXED CHARGES

The following are ratios of our earnings to fixed charges for each of the periods indicated:

	Six Months Ended June 30, 2008	Fiscal Year Ended December 31,				
		2007	2006	2005	2004	2003
Excluding Interest on Deposits:	7.14	3.66	3.29	3.65	3.64	2.99
Including Interest on Deposits:	2.27	1.55	1.68	1.93	2.29	2.14

For purposes of calculating the ratio of earnings to fixed charges, earnings consist of net income before extraordinary items plus applicable income taxes and fixed charges. Fixed charges, excluding interest on deposits consist of interest expense (other than on deposits) and the portion of rental expenses deemed to be representative of the interest factor. Fixed charges, including interest on deposits consist of all interest and the portion of rental expenses deemed to be representative of the interest factor.

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SUPPLEMENTAL DESCRIPTION OF THE NOTES

Please read the following information concerning the notes in conjunction with the statements under "Description of the Debt Securities" in the accompanying prospectus, which the following information supplements and, if there are any inconsistencies, supersedes. The following description is not complete. The notes will be issued under the Indenture, dated as of August 15, 2006, that we have entered into with The Bank of New York Mellon Trust Company, N.A. (as successor-in-interest to JPMorgan Chase Bank, N.A.), as trustee. The Indenture is described in the accompanying prospectus and is filed as an exhibit to the registration statement under which the notes are being offered and sold.

Maturity, Interest and Payment

The notes will mature on August 15, 2013. The notes will bear interest from and including August 13, 2008, payable in arrears on August 15 and February 15 of each year, commencing February 15, 2009. Interest payable on each interest payment date will be paid to the persons in whose names the notes are registered at the close of business on the 15th calendar day prior to such interest payment date, and interest payable at maturity will be paid to the persons to whom the principal is then payable. If an interest payment date falls on a day that is not a business day, interest will be payable on the next succeeding business day with the same force and effect as if made on such interest payment date, and interest will not accrue on the amount so payable for the period from and after the interest payment date. Interest on the notes will be calculated on the basis of a 360-day year, consisting of twelve 30-day months, and will accrue from August 13, 2008 or from the most recent interest payment date to which interest has been paid. We have no right to redeem the notes prior to maturity.

At maturity, the amounts due and payable on the notes will be 100% of their principal amount outstanding, together with interest accrued to the maturity date. If the maturity falls on a day that is not a business day, the payment of principal and interest will be made on the next succeeding business day with the same force and effect as if made at maturity, and no interest on such payment will accrue for the period from and after such maturity.

Forms and Denominations

The notes will be issued as one or more global securities in the name of a nominee of The Depository Trust Company and will be available only in book-entry form. See "Global Securities" in the accompanying prospectus. The notes are available for purchase in minimum denominations of \$2,000 and in integral multiples of \$1,000 in excess thereof.

Additional Notes

We may, without the consent of the holders of the notes offered in this prospectus supplement, create and issue additional notes ranking equally with the notes offered in this prospectus supplement in all respects, including having the same CUSIP number, so that such additional notes would be consolidated and form a single series with the notes offered in this prospectus supplement and would have the same terms as to status, redemption or otherwise as the notes offered hereby. No additional notes may be issued if an Event of Default has occurred and is continuing with respect to the notes offered in this prospectus supplement.

Listing

The notes will not be listed on any securities exchange. Currently, there is no public market for the notes.

Depository

Upon issuance, the notes will be represented by one or more fully registered global notes. Each global note will be deposited with, or on behalf of, The Depository Trust Company or any successor thereto, as depository, and registered in the name of Cede & Co. (DTC's partnership nominee). Investors may elect to hold interests in the global notes through either DTC (in the United States) or Clearstream Banking, société anonyme, or Euroclear Bank S.A./N.V., as operator of the Euroclear System if they are participants in such systems, or indirectly through organizations which are participants in such systems.

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UNITED STATES TAX CONSIDERATIONS

The following summary of certain United States federal income tax consequences of the purchase, ownership and disposition of the notes is based on laws, regulations, rulings and decisions now in effect, all of which are subject to change. It deals only with notes held as capital assets by initial purchasers who are U.S. holders and does not deal with persons in special tax situations, such as financial institutions, insurance companies, dealers in securities or currencies, persons holding notes as a hedge against currency risks or as a position in a straddle for tax purposes, or persons whose functional currency is not the United States dollar. It also does not deal with holders other than original purchasers. Persons considering the purchase of notes should consult their tax advisors concerning the application of United States federal income tax laws to their particular situations as well as any consequences arising under the laws of any other taxing jurisdiction.

For purposes of this discussion, a U.S. holder is a beneficial owner of a note that for United States federal income tax purposes is:

a citizen or resident of the United States,

a corporation, partnership or other entity organized under the laws of the United States or any political subdivision of the United States,

an estate the income of which is subject to United States federal income taxation regardless of its source,

a trust which is subject to the supervision of a court within the United States and the control of a United States fiduciary, or

any other person whose income or gain in respect of a note is effectively connected with the conduct of a United States trade or business.

Interest

Payments of interest on a note will be taxable to a U.S. holder as ordinary interest income at the time the payments accrue or are received (in accordance with the U.S. holder's method of accounting for tax purposes).

Disposition of a Note

Upon the sale, exchange or retirement of a note, a U.S. holder generally will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange or retirement and the U.S. holder's adjusted tax basis in the note. This gain or loss generally will be long-term capital gain or loss if the note is held for more than one year. Long-term capital gains recognized on securities such as the notes are currently taxable at a maximum rate of 15.0% for individuals and 35.0% for corporations.

During calendar year 2008, ordinary income is taxable at a maximum rate of 35.0% for individuals and 35.0% for corporations. To the extent the amount realized represents accrued but unpaid interest, this amount will be treated as taxable interest income.

Backup Withholding

Backup withholding of United States federal income tax at a current rate of 28.0% may apply to payments made in respect of the notes to registered owners who are not exempt recipients and who fail to provide certain identifying information (such as the registered owner's taxpayer identification number) in the required manner. Generally, individuals are not exempt recipients, whereas corporations and certain other entities are exempt recipients. Payments made in respect of the notes to a U.S. holder must be reported to the Internal Revenue Service, unless the U.S. holder is an exempt recipient or establishes an exemption.

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In addition, upon the sale of a note to (or through) a broker, the broker must withhold currently 28.0% of the entire purchase price, unless either (1) the broker determines that the seller is a corporation or other exempt recipient or (2) the seller provides the required identifying information. These sales must also be reported by the broker to the IRS, unless the broker determines that the seller is an exempt recipient.

Any amounts withheld under the backup withholding rules from a payment to a beneficial owner will be allowed as a refund or a credit against the beneficial owner's United States federal income tax, provided the required information is furnished to the IRS.

TO ENSURE COMPLIANCE WITH INTERNAL REVENUE SERVICE CIRCULAR 230, PERSONS CONSIDERING THE PURCHASE OF NOTES ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS PROSPECTUS SUPPLEMENT IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY NOTE PURCHASERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON NOTE PURCHASERS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) NOTE PURCHASERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

CERTAIN ERISA CONSIDERATIONS

The following is a summary of certain considerations associated with the purchase of notes by employee benefit plans that are subject to Title I of the Employee Retirement Income Security Act of 1974, as amended (ERISA), plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the Code), or provisions under any federal, state, local non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code, and entities whose underlying assets are considered to include plan assets of such plans, accounts and arrangements (each, a Plan). The Pension Protection Act of 2006 added new Section 3(42) to ERISA defining what constitute plan assets.

General Fiduciary Matters

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan subject to Title I of ERISA or Section 4975 of the Code (an ERISA Plan) and prohibit certain transactions involving the assets of an ERISA Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the management or administration of such an ERISA Plan or the management or disposition of the assets of such an ERISA Plan, or who renders investment advice for a fee or other compensation to such an ERISA Plan, is generally considered to be a fiduciary of the ERISA Plan.

In considering an investment in the notes of a portion of the assets of any Plan, a fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any similar law relating to a fiduciary's duties to the Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable similar laws.

Prohibited Transaction Issues

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans from engaging in specified transactions involving plan assets with persons or entities who are parties in interest, within the meaning of ERISA, or disqualified persons, within the meaning of Section 4975 of the Code, unless an exemption is available. A party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code. In addition, the fiduciary of

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the ERISA Plan that engages in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the Code. The acquisition or holding of notes by an ERISA Plan with respect to which we or an underwriter are considered a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption. In this regard, the U.S. Department of Labor has issued prohibited transaction class exemptions, or PTCEs, that may apply to the acquisition and holding of the notes. These class exemptions include PTCE 84-14 respecting transactions determined by independent qualified professional asset managers, PTCE 90-1 respecting insurance company pooled separate accounts, PTCE 91-38 respecting bank collective investment funds, PTCE 95-60 respecting life insurance company general accounts and PTCE 96-23 respecting transactions determined by in-house asset managers. There can be no assurance that a particular purchase of notes will satisfy all of the conditions of any such exemptions. Also, in this regard, the Pension Protection Act of 2006 added statutory exemptions in Section 408(b)(16), (17) and (19) that may apply to the acquisition or holding of the notes.

Because of the foregoing, the notes should not be purchased or held by any person investing plan assets of any Plan, unless such purchase and holding will not constitute a non-exempt prohibited transaction under ERISA and the Code or a violation of any applicable similar laws.

Representation

By acceptance of a note, each purchaser and subsequent transferee of a note will be deemed to have represented and warranted that (i) no portion of the assets used by such purchaser or transferee to acquire and hold the note constitutes assets of any Plan, (ii) the Plan is a governmental plan as defined in Section 3(32) of ERISA which is not subject to the provisions of Title I of ERISA or Section 401 of the Code or (iii) the purchase and holding of the note by such purchaser or transferee will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or violation under any applicable similar laws because such purchase and holding satisfies the conditions of a class exemption, including PTCE 91-38, 90-1, 84-14, 95-60 or 96-23 or a statutory exemption (including Sections 408(b)(16), (17) or (19) of ERISA).

The foregoing discussion is general in nature and is not intended to be all-inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering purchasing the notes on behalf of, or with the assets of, any Plan consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any similar laws to such investment and whether an exemption would be applicable to the purchase and holding of the notes.

Table of Contents**UNDERWRITING**

We intend to offer the notes through the underwriters. Merrill Lynch, Pierce, Fenner & Smith Incorporated and UBS Securities LLC are acting as representatives of the underwriters named below. Subject to the terms and conditions contained in a purchase agreement between us and the underwriters, we have agreed to sell to the underwriters, and the underwriters severally have agreed to purchase from us, the principal amount of the notes listed opposite their names below.

Underwriter	Principal Amount
Merrill Lynch, Pierce, Fenner & Smith Incorporated	\$ 160,000,000
UBS Securities LLC	160,000,000
Goldman, Sachs & Co.	26,668,000
Loop Capital Markets, LLC	26,666,000
The Williams Capital Group, LP	26,666,000
Total	\$ 400,000,000

The underwriters have agreed to purchase all of the notes sold pursuant to the purchase agreement if any of these notes are purchased. If an underwriter defaults, the purchase agreement provides that the purchase commitments of the nondefaulting underwriters may be increased or the agreement may be terminated.

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

The underwriters are offering the notes, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the notes, and other conditions contained in the purchase agreement, such as the receipt by the underwriters of officer's certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

The notes are offered globally for sale in those jurisdictions in the United States, Europe, Asia and elsewhere where it is lawful to make such offers.

It is expected that delivery of the notes will be made against payment therefor on or about the date specified on the cover page of this prospectus supplement, which is the fifth business day following the date hereof. Under Rule 15c6-1 of the SEC under the Securities Exchange Act of 1934, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade notes on the date hereof or the next succeeding business day will be required, by virtue of the fact that the notes initially will settle in T + 5, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement and should consult their own advisor.

Commissions and Discounts

The underwriters have advised us that they propose initially to offer the notes to the public at the public offering price on the cover page of this prospectus supplement, and to dealers at that price less a concession not in excess of .20% of the principal amount of the notes. The underwriters may allow, and the dealers may reallow, a discount not in excess of .15% of the principal amount of the notes to other dealers. After the initial public offering, the public offering price, concession and discount may be changed.

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The expenses of the offering, not including the underwriting discount, are estimated to be \$650,000 and will be payable by us. Certain of the underwriters have agreed to reimburse us for a substantial portion of our offering expenses.

New Issue of Notes

The notes are a new issue of securities with no established trading market. We do not intend to apply for listing of the notes on any national securities exchange or for quotation of the notes on any automated dealer quotation system. We have been advised by Merrill Lynch, Pierce, Fenner & Smith Incorporated and UBS Securities LLC that they presently intend to make a market in the notes after completion of the offering. However, they are under no obligation to do so and may discontinue any market-making activities at any time without any notice. We cannot assure the liquidity of the trading market for notes or that an active public market for the notes will develop. If an active public trading market for the notes does not develop, the market price and liquidity of the notes may be adversely affected.

Price Stabilization and Short Positions

In connection with the offering, the underwriters are permitted to engage in transactions that stabilize the market price of the notes. Such transactions consist of bids or purchases to peg, fix or maintain the price of the notes. If the underwriters create a short position in the notes in connection with the offering, i.e., if they sell more notes than are on the cover page of this prospectus supplement, the underwriters may reduce that short position by purchasing notes in the open market. Purchases of a security to stabilize the price or to reduce a short position could cause the price of the security to be higher than it might be in the absence of such purchases.

Neither we nor any of the underwriters makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the notes. In addition, neither we nor any of the underwriters makes any representation that the underwriters will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Offers and Sales Outside the United States

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), each underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) it has not made and will not make an offer of notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of notes to the public in that Relevant Member State at any time:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than 43,000,000 and (3) an annual net turnover of more than 50,000,000, as shown in its last annual or consolidated accounts;
- (c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the representatives for any such offer; or
- (d) in any other circumstances which do not require the publication by the issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

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For the purposes of this provision, the expression an offer of notes to the public in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe the notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Each underwriter has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act (FSMA)) received by it in connection with the issue or sale of the notes in circumstances in which Section 21(1) of the FSMA does not apply to the Corporation; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the notes in, from or otherwise involving the United Kingdom.

The notes may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), or (ii) to professional investors within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a prospectus within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to notes which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

The securities have not been and will not be registered under the Securities and Exchange Law of Japan (the Securities and Exchange Law) and each underwriter has agreed that it will not offer or sell any securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes may not be circulated or distributed, nor may the notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the SFA), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the notes are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries rights and interest in that trust shall not be transferable for 6 months after that corporation or that

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trust has acquired the notes under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

Other Relationships

The underwriters and certain of their affiliates have performed investment banking, advisory and general financing services, including commercial banking services, for us from time to time for which they have received customary fees and expenses. Specifically, Merrill Lynch, Pierce, Fenner & Smith Incorporated acted as our financial advisor in connection with our 2005 acquisition of Baring Asset Management's Financial Services Group from ING Group N.V. Additionally, an affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated acted as sole book-runner in the Bank's offering of senior and subordinated debt totaling 250 million British pounds Sterling to fund that acquisition. The underwriters also acted as the Corporation's underwriters in the offering of \$200 million of senior notes and the Bank's offering of \$200 million of subordinated notes in November 2007. In addition, Northern Trust's broker-dealer subsidiary has referral agreements with certain of the underwriters under which it may refer securities underwriting opportunities to those underwriters, for which it would receive a referral fee. The underwriters and certain of their affiliates may, from time to time, engage in transactions with and perform services for us in the ordinary course of their business for which they will receive customary fees and expenses. The underwriters of this offering are also serving as the underwriters of the Bank's concurrent offering of Subordinated Notes.

LEGAL MATTERS

The validity of the notes will be passed upon for us by Schiff Hardin LLP, Chicago, Illinois. The underwriters have been represented by McDermott Will & Emery LLP, Chicago, Illinois.

EXPERTS

The consolidated financial statements of Northern Trust Corporation and subsidiaries appearing in Northern Trust's Annual Report (Form 10-K) for the year ended December 31, 2007, and the effectiveness of Northern Trust's internal control over financial reporting as of December 31, 2007, have been audited by KPMG LLP, an independent registered public accounting firm, and have been incorporated herein by reference in reliance upon the reports of such firm given their authority as experts in accounting and auditing. The audit report covering the December 31, 2007 financial statements refers to changes in Northern Trust's method of accounting for stock-based compensation and its method of accounting for defined benefit pension and other postretirement plans.

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PROSPECTUS

Northern Trust Corporation

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NTC Capital V

PREFERRED SECURITIES

FULLY AND UNCONDITIONALLY GUARANTEED BY

NORTHERN TRUST CORPORATION

Northern Trust Corporation may offer and sell debt securities, preferred stock, common stock, warrants, stock purchase contracts and stock purchase units.

The trusts are Delaware statutory trusts. Each trust may offer and sell: