

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

<b>Title of Each Class of Securities to be Registered</b>	<b>Amount to be Registered</b>	<b>Maximum Offering Price Per Unit</b>	<b>Maximum Aggregate Offering Price</b>	<b>Amount of Registration Fee(1)</b>
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.**

	<b>Per Note</b>	<b>Total</b>
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 17<sup>th</sup> 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](http://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.

		<b>June 30, 2008</b>	
	<b>Actual</b>	<b>As Adjusted (in millions)</b>	<b>As Further Adjusted</b>
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
<b>Total capitalization</b>	<b>\$ 8,252.8</b>	<b>\$ 8,652.8</b>	<b>\$ 8,952.8</b>
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:

	<b>Six Months Ended June 30, 2008</b>	<b>Fiscal Year Ended December 31,</b>				
		<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
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**

**COMMON STOCK**

**PREFERRED STOCK**

**DEBT SECURITIES**

**WARRANTS**

**STOCK PURCHASE CONTRACTS**

**STOCK PURCHASE UNITS**

**NTC Capital III**

**NTC Capital IV**

**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:

preferred securities representing undivided beneficial interests in the assets of the trust to the public; and

common securities representing undivided beneficial interests in the assets of the trust to Northern Trust Corporation.

Northern Trust Corporation will fully and unconditionally guarantee the payments by the trusts on the preferred securities based on obligations discussed in this prospectus.

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We may offer these securities from time to time, in amounts, on terms and at prices that will be determined at the time of offering. We will provide specific terms of these securities, including their offering prices, in prospectus supplements to this prospectus. The prospectus supplements may also add, update or change information contained in this prospectus. You should read this prospectus and any prospectus supplement carefully before you invest.

The common stock of Northern Trust Corporation is listed on The Nasdaq Stock Market under the symbol NTRS.

We may offer these securities to or through underwriters, through dealers or agents, directly to you or through a combination of these methods. You can find additional information about our plan of distribution for the securities under the heading Plan of Distribution beginning on page 25 of this prospectus. We will also describe the plan of distribution for any particular offering of these securities in the applicable prospectus supplement. This prospectus may not be used to sell our securities unless it is accompanied by a prospectus supplement.

**The securities will be equity securities or unsecured obligations of Northern Trust Corporation or equity securities of a NTC Capital trust and will not be savings accounts, deposits or other obligations of any bank or nonbank subsidiary of Northern Trust Corporation and are not insured by the Federal Deposit Insurance Corporation, the Bank Insurance Fund or any other government agency.**

**You should fully consider the risk factors beginning on page 3 in this prospectus and in the accompanying prospectus supplement, if any, prior to investing in the offered securities.**

**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 date of this prospectus is July 31, 2008.

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### **ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement that we have filed with the Securities and Exchange Commission, or the SEC, utilizing a shelf registration or continuous offering process. Under this process, we may from time to time sell any combination of the securities described in this prospectus in one or more offerings.

This prospectus provides you with a general description of the securities we may offer. Each time we offer securities registered under this process, we will provide a prospectus supplement that will contain specific information about the terms of that offering. That prospectus supplement may include a description of any risk factors or other special considerations applicable to those securities. The 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 prospectus supplement, you should rely on the information in the prospectus supplement. You should read both this prospectus and the applicable prospectus supplement together with the additional information described under the heading "Where You Can Find More Information" before you invest.

You should rely only on the information incorporated by reference or provided in this prospectus and the accompanying prospectus supplement. We have not authorized anyone to provide you with different information. We are not making an offer to sell or soliciting an offer to buy these securities in any jurisdiction in which the offer or solicitation is not authorized or in which the person making the offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make the offer or solicitation. You should not assume that the information in this prospectus or the accompanying prospectus supplement is accurate as of any date other than the date on the front of the document.

Any of the securities described in this prospectus may be convertible or exchangeable into other securities we describe in this prospectus or will describe in a prospectus supplement and may be issued separately, together or as part of a unit consisting of two or more securities, which may or may not be separate from one another. These securities may include new or hybrid securities developed in the future that combine features of any of the securities described in this prospectus.

Unless otherwise indicated or unless the context requires otherwise, all references in this prospectus to Northern Trust, we, us, our or similar references mean Northern Trust Corporation and its subsidiaries, including the trusts. References to securities refer collectively to all of the securities registered hereunder.

### **WHERE YOU CAN FIND MORE INFORMATION**

We have filed with the SEC a registration statement on Form S-3 under the Securities Act of 1933, as amended, that registers the offer and sale of the securities described in this prospectus. The registration statement, including the attached exhibits and schedules, contains additional relevant information about us. As permitted by the rules and regulations of the SEC, we have not included certain portions of the registration statement in this prospectus.

Northern Trust files annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document Northern Trust files at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain additional information about the public reference room by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains a site on the Internet (<http://www.sec.gov>) that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC, including Northern Trust.

The SEC allows us to incorporate by reference information into this prospectus. This means that we can disclose important information to you by referring you to another document that Northern Trust has filed

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separately with the SEC. The information incorporated by reference is considered to be part of this prospectus. Information that Northern Trust files with the SEC after the date of this prospectus will automatically modify and supersede the information included or incorporated by reference in this prospectus to the extent that the subsequently filed information modifies or supersedes the existing information. We incorporate by reference the following documents filed with the SEC:

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;

the description of our Common Stock contained in a registration statement filed pursuant to Section 12 of the Securities Exchange Act of 1934, and any amendment or report filed for the purpose of updating such description, including Exhibit 99(i) to our Annual Report on Form 10-K for the fiscal year ended December 31, 1999; and

the description of our Preferred Stock Purchase Rights contained in the registration statement on Form 8-A dated July 24, 1998 and filed with the SEC on July 24, 1998, as amended by Amendment No. 1 dated as of November 18, 1998 and filed with our Current Report on Form 8-K dated November 20, 1998, and Amendment No. 2 dated as of February 16, 1999 and filed with our Current Report on Form 8-K dated February 19, 1999.

We also incorporate by reference 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 securities.

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, Telephone: (312) 444-7811, Attention: Investor Relations.

We maintain an Internet site at <http://www.northerntrust.com> which contains information concerning Northern Trust and its subsidiaries. The information contained at our Internet site is not incorporated by reference in this prospectus, and you should not consider it a part of this prospectus.

We have filed this prospectus with the SEC as part of a registration statement on Form S-3 under the Securities Act of 1933. This prospectus does not contain all of the information included in the registration statement. Any statement made in this prospectus concerning the contents of any contract, agreement or other document is only a summary of the actual document. If we have filed any contract, agreement or other document as an exhibit to the registration statement, you should read the exhibit for a more complete understanding of the document or matter involved. Each statement regarding a contract, agreement or other document is qualified in its entirety by reference to the actual document.



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### **RISK FACTORS**

*Investing in the securities involves risk. Please see the Risk Factors section in Northern Trust's most recent Annual Report on Form 10-K, along with the disclosure related to the risk factors contained in Northern Trust's subsequent Quarterly Reports on Form 10-Q, which are incorporated by reference in this prospectus, as updated by our future filings with the SEC. Before making an investment decision, you should carefully consider these risks as well as other information contained or incorporated by reference in this prospectus. The risks and uncertainties not presently known to Northern Trust or that Northern Trust currently deems immaterial may also impair its business operations, its financial results and the value of the securities. The prospectus supplement applicable to each type or series of securities we offer may contain a discussion of additional risks applicable to an investment in us and the particular type of securities we are offering under that prospectus supplement.*

### **FORWARD-LOOKING STATEMENTS**

This prospectus contains statements that may be considered forward-looking, such as the statements relating to our financial goals, dividend policy, expansion and business development plans, anticipated expense levels and projected profit improvements, business prospects and positioning with respect to market, demographic and pricing trends, strategic initiatives, re-engineering and outsourcing activities, new business results and outlook, changes in securities market prices, credit quality including reserve levels, planned capital expenditures and technology spending, anticipated tax benefits and expenses, and the effects of any extraordinary events and various other matters (including developments with respect to litigation, other contingent liabilities and obligations, and regulation involving Northern Trust and changes in accounting policies, standards and interpretations) on our business and results.

Forward-looking statements are typically identified by words or phrases such as believe, expect, anticipate, intend, estimate, may increase, fluctuate, plan, goal, target, strategy, and similar expressions or future or conditional verbs such as may, will, should, would, and Forward-looking statements are our current estimates or expectations of future events or future results. Actual results could differ materially from the results indicated by these statements because the realization of those results is subject to many risks and uncertainties including:

the health of the U.S. and international economies;

changes in financial markets, including debt and equity markets, that impact the value, liquidity or credit ratings of financial assets in general, financial assets in specific investment funds with respect to which Northern Trust has taken, or may in the future take, action to provide stability to the funds and investors in the funds, or financial assets in other investment funds or client portfolios;

changes in foreign exchange trading client volumes and currency volatility;

our success in managing various risks inherent in our business, including credit risk, interest rate risk and liquidity risk, particularly during times of economic uncertainty and volatility in the credit and other markets;

geopolitical risks and the risks of extraordinary events such as natural disasters, terrorist events, war and the U.S. government's response to those events;

the pace and extent of continued globalization of investment activity and growth in worldwide financial assets;

regulatory and monetary policy developments;

failure to obtain regulatory approvals when required;

changes in tax laws, accounting requirements or interpretations and other legislation in the U.S. or other countries that could affect us or our clients;

changes in the nature and activities of our competition;

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our success in maintaining existing business and continuing to generate new business in our existing markets;

our success in identifying and penetrating targeted markets, through acquisition, strategic alliance or otherwise;

our success in integrating recent and future acquisitions, strategic alliances, and preferred provider arrangements;

our success in addressing the complex needs of a global client base across multiple time zones and from multiple locations, and managing compliance with legal, tax, regulatory and other requirements in areas of faster growth in our businesses, especially in immature markets;

our ability to maintain a product mix that achieves acceptable margins;

our ability to continue to generate investment results that satisfy our clients and continue to develop our array of investment products;

our success in recruiting and retaining the necessary personnel to support business growth and expansion and maintain sufficient expertise to support increasingly complex products and services;

our ability, as products, methods of delivery, and client requirements change or become more complex, to continue to fund and accomplish innovation, improve risk management practices and controls, and address operating risks, including human errors or omissions, pricing or valuation of securities, fraud, systems performance or defects, systems interruptions, and breakdowns in processes or internal controls;

our success in controlling expenses;

increased costs of compliance and other risks associated with changes in regulation and the current regulatory environment, including the requirements of the new Basel II capital regime and areas of increased regulatory emphasis and oversight such as the Bank Secrecy Act and Anti-Money Laundering Act;

risks and uncertainties inherent in the litigation and regulatory process, including the adequacy of contingent liability, tax and other reserves; and

the risk of events that could harm our reputation and so undermine the confidence of clients, counterparties, rating agencies, and stockholders.

Some of these and other risks and uncertainties that may affect future results are discussed in more detail in the sections of Management's Discussion and Analysis of Financial Condition and Results of Operations captioned Risk Management, Market Risk Management and Operational Risk Management in the 2007 Financial Annual Report to Shareholders, in the section of the Notes to Consolidated Financial Statements in the 2007 Financial Annual Report to Shareholders captioned Note 25, Contingent Liabilities, in the sections of Item 1 Business of the 2007 Annual Report on Form 10-K captioned Government Monetary and Fiscal Policies, Competition and Regulation and Supervision, and in Item 1A Risk Factors of the 2007 Annual Report on Form 10-K. All forward-looking statements included in this document are based upon information presently available, and we assume no obligation to update any forward-looking statements. You should not rely on the accuracy of predictions contained in forward-looking statements. These statements speak only as of the date of this prospectus or, in the case of documents incorporated by reference, the date of those documents.



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### **NORTHERN TRUST CORPORATION**

Northern Trust Corporation is 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. Northern Trust has a network of 85 offices in 18 U.S. states and has offices in 15 international locations outside the U.S. Northern Trust conducts business through various U.S. and non-U.S. subsidiaries, including The Northern Trust Company (the Bank). At June 30, 2008, Northern Trust had assets under custody of \$4.0 trillion, assets under management of \$751.4 billion, consolidated total assets of \$74.8 billion and stockholders' equity of \$5.0 billion. As of December 31, 2007, Northern Trust was the largest bank holding company headquartered in Illinois and the 17<sup>th</sup> largest in the United States based on consolidated total assets of \$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 stockholders' equity 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 management; and investment risk and performance analytical services. Client relationships are managed through the Bank and the Bank's and Northern Trust Corporation'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.

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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 Northern Trust, 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.

Our principal executive offices are located at 50 South LaSalle Street, Chicago, Illinois 60603, and our telephone number is (312) 630-6000.

## **THE TRUSTS**

We have formed each of the trusts as a statutory trust under Delaware law pursuant to a trust agreement, signed by us, as depositor of each trust, and a property trustee, a Delaware trustee and one or more administrative trustees, and a certificate of trust filed with the Delaware Secretary of State. Each trust agreement will be amended and restated in its entirety substantially in the form filed as an exhibit to the registration statement of which this prospectus forms a part prior to the issuance of any securities by the trust. Each amended and restated trust agreement will be qualified as an indenture under the Trust Indenture Act of 1939. The principal executive office of each trust is c/o Northern Trust Corporation, 50 South LaSalle Street, Chicago, Illinois 60603, telephone number (312) 630-6000.

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Each trust may offer to the public, from time to time, its preferred securities representing undivided beneficial interests in the assets of the trust. If a trust issues its preferred securities to investors, it will sell to us common securities representing common ownership interest in the trust. We will directly or indirectly own all of the common securities of each trust.

The prospectus supplement relating to any preferred securities offered by a trust will describe the terms of those securities, any securities issued to Northern Trust Corporation and any agreements entered into by the trust issuing the preferred securities.

The trusts are not subject to the information reporting requirements of the Securities Exchange Act of 1934, as amended, and we have not included any separate financial statements of the trusts in this prospectus. We do not consider that financial statements of the trusts would be material to holders of trust preferred securities because the trusts are special purpose entities, have no operating histories or independent operations and are not engaged in and do not propose to engage in any activity other than holding Northern Trust Corporation's subordinated debt securities as trust assets and issuing the trust securities. Furthermore, taken together, Northern Trust Corporation's obligations under the subordinated debt securities that the trusts would hold, the subordinated indenture, the trust agreements and the related guarantees will provide, in the aggregate, a full, irrevocable and unconditional guarantee of payments of distributions and other amounts due on the preferred securities of the trusts.

## **CERTAIN REGULATORY CONSIDERATIONS**

### **General**

As a bank holding company that has elected to be a financial holding company under the Bank Holding Company Act, we and our business activities throughout the world are subject to the supervision, examination and regulation of the Federal Reserve Board.

For a discussion of the material elements of the regulatory framework applicable to bank and financial holding companies and their subsidiaries, and specific information relevant to us, please refer to our Annual Report on Form 10-K for the year ended December 31, 2007, which is incorporated by reference in this prospectus, and any subsequent reports we file with the SEC that are so incorporated. This regulatory framework is intended primarily for the protection of depositors and other clients of banking subsidiaries, the deposit insurance fund of the Federal Deposit Insurance Corporation and the banking system as a whole, not for the protection of investors.

The Bank is a member of the Federal Reserve System, its deposits are insured by the FDIC, and it is subject to regulation by both these entities, as well as by the Division of Banking of the Illinois Department of Financial and Professional Regulation. Northern Trust Corporation's national bank subsidiaries are members of the Federal Reserve System and are subject to regulation by the Office of the Comptroller of the Currency, with deposits insured by the FDIC to the extent provided by the Federal Deposit Insurance Act. Northern Trust Bank, FSB is a federal savings bank that is not a member of the Federal Reserve System and is subject to regulation by the Office of Thrift Supervision and the FDIC. Our nonbanking affiliates are all subject to examination by the Federal Reserve Board, as well as other applicable state and federal regulatory agencies and self-regulating organizations. For example, our broker dealer subsidiary is registered with the SEC and is a member of the Financial Industry Regulatory Authority, subject to the rules and regulations of both of these bodies.

The increasingly important activities of our subsidiaries outside the United States are subject to regulation by a number of non-U.S. regulatory agencies. Subsidiaries conducting banking, investment management, fund administration and asset servicing businesses in the United Kingdom, for example, are authorized to do so pursuant to the UK Financial Services and Markets Act of 2000 or are otherwise subject to regulation under it by the Financial Services Authority. Our non-U.S. subsidiaries and branches of the Bank outside the United States are subject to the laws and regulatory authorities of the jurisdictions in which they operate.

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### **Restrictions on Payment of Dividends**

We are a legal entity separate and distinct from our subsidiaries. Our principal source of funds is dividends from the Bank and other banking and non-banking subsidiaries of Northern Trust Corporation. As a result, our ability to meet our obligations and pay dividends on our common stock will depend primarily on the ability of these subsidiaries to pay dividends in amounts sufficient to service these obligations. Provisions of state and federal banking laws restrict the amount of dividends that our U.S. banking subsidiaries may pay to us. Under applicable state and federal laws, no dividends may be paid in an amount greater than the net or undivided profits (as defined) then on hand, subject to other applicable provisions of law. In addition, prior approval from the relevant federal banking regulator is required if dividends declared by any of our banking subsidiaries in any calendar year will exceed the subsidiary's net profits for that year, combined with its retained net profits for the preceding two years. The ability of each banking subsidiary to pay dividends to Northern Trust Corporation may be further restricted as a result of statutes applicable to the particular banking organization or regulatory policies and guidelines relating to dividend payments and capital adequacy. For example, the Bank may not pay a dividend in an amount greater than its undivided profits, as defined, without regulatory and shareholder approval.

Our U.S. banking subsidiaries are also prohibited under federal law from paying any dividend that would cause them to become undercapitalized. In addition, the federal regulatory agencies are authorized to prohibit a bank or bank holding company from engaging in an unsafe or unsound banking practice. The payment of dividends could, depending on the financial condition of particular banking organization, be deemed to constitute an unsafe or unsound practice.

The payment of dividends by each of our non-bank subsidiaries is limited by the laws of the jurisdiction in which each is incorporated. Particular subsidiaries may also be subject to regulatory limitations on the payment of dividends or regulations that have the effect of limiting dividend payments.

The Federal Reserve Board has issued a policy statement with regard to the payment of cash dividends by bank holding companies. The policy statement provides that, as a matter of prudent banking, a bank holding company should not maintain a rate of cash dividends unless its net income available to common stockholders has been sufficient to fully fund the dividends, and the prospective rate of earnings retention appears to be consistent with the holding company's capital needs, asset quality, and overall financial condition. Accordingly, a bank holding company should not pay cash dividends that exceed its net income or can only be funded in ways that weaken the bank holding company's financial health, such as by borrowing.

### **Transactions with Affiliates**

Our bank subsidiaries are subject to restrictions under federal law, including Regulation W of the Federal Reserve Board, which limit certain transactions with us and our non-banking subsidiaries, including loans, other extensions of credit, investments or asset purchases. Such transactions by a banking subsidiary with any one affiliate are limited in amount to 10 percent of the bank's capital and surplus and, with all affiliates together, to an aggregate of 20 percent of the bank's capital and surplus. Furthermore, such loans and extensions of credit, as well as certain other transactions, are required to be secured in specified amounts. These and certain other transactions with us or any of our subsidiaries, including any payment of money by a banking subsidiary, must be on terms and conditions that are, or in good faith would be, offered to nonaffiliated companies.



**Table of Contents****USE OF PROCEEDS**

We expect to use the net proceeds from the sale of securities offered by this prospectus and any applicable prospectus supplement for general corporate purposes. These may include additions to working capital, repayment of existing indebtedness and acquisitions. If we decide to use the net proceeds of any offering of securities other than for general corporate purposes, we will describe the use of the net proceeds in the prospectus supplement for that offering.

**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	Fiscal Year Ended December 31				
	June 30, 2008	2007	2006	2005	2004	2003
Earnings to Fixed Charges:						
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 ratios 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.

**DESCRIPTION OF THE COMMON STOCK**

The following summary of the terms of our common stock is not complete. You should refer to the applicable provision of our Restated Certificate of Incorporation and to the Delaware General Corporation Law for a complete statement of the terms and rights of the common stock.

**General**

We have authorized 560,000,000 shares of common stock, par value \$1.66 <sup>2</sup>/<sub>3</sub> per share. As of June 30, 2008, there were 221,046,920 shares of common stock outstanding. The outstanding shares of common stock are listed on The Nasdaq Stock Exchange under the symbol NTRS.

*Voting.* Holders of common stock vote as a single class on all matters submitted to a vote of the stockholders, with each share of common stock entitled to one vote. The voting rights of the holders of common stock are qualified, however, by the voting rights of holders of any issued and outstanding preferred stock described below under the heading Description of Preferred Stock.

*Dividends.* Holders of common stock are entitled to receive the dividends that may be declared from time to time by the board of directors. The rights of holders of common stock to receive dividends are subject to the prior rights of holders of any issued and outstanding preferred stock.

*Other Provisions.* Upon voluntary or involuntary liquidation, dissolution, distribution of assets or winding up of the corporation, the holders of the common stock are entitled to receive, pro rata according to the number of shares held by each, all of our assets remaining for distribution after payment to creditors and the holders of any issued and outstanding preferred stock of the full preferential amounts to which they are entitled. The common stock has no preemptive or other subscription rights, and there are no other conversion rights or redemption provisions with respect to the shares.

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*Transfer Agent and Registrar.* The transfer agent and registrar for our common stock is Wells Fargo Bank, N.A.

### **Preferred Stock Purchase Rights**

Each outstanding share of common stock includes one half of one preferred stock purchase right, which entitles the holder to purchase from us one one-hundredth of a share of our Series A Junior Participating Preferred Stock, no par value, at an exercise price of \$330, subject to adjustment under certain circumstances. The description and terms of the rights are set forth in a Rights Agreement dated as of July 21, 1998, between us and Norwest Bank Minnesota, N.A. (now known as Wells Fargo Bank Minnesota, N.A.), as amended by Amendment No. 1 dated November 18, 1998 and Amendment No. 2 dated February 16, 1999.

Unless earlier redeemed, the rights will separate from the common stock and a distribution date will occur upon the earlier of:

20 days following the stock acquisition date ; and

20 days (or a later date as determined by the Board, with certain limitations) after the date a tender or exchange offer that would result in a person or group beneficially owning 15% or more of the outstanding shares of common stock is first published, sent or given to our stockholders.

The stock acquisition date is the earlier of:

The first date of our public announcement that any person or group (other than certain exempt persons or groups) has acquired, or obtained the right to acquire, beneficial ownership of 15% or more of the shares of common stock then outstanding; and

The date that any person enters into an agreement or arrangement with us or any of our subsidiaries providing for:

a merger, consolidation or similar transaction resulting in our stockholders owning less than 60% of the outstanding shares of our common stock or the common stock of a publicly traded entity that controls us or into which we have been merged or otherwise combined;

a purchase or other acquisition of all or substantially all of our assets; or

a purchase or other acquisition of securities representing 15% or more of the shares of common stock then outstanding.

Additionally, if any person becomes a beneficial owner of common stock or otherwise acquires 50% or more of our assets or earning power in an acquisition as described above, each holder of a right will be entitled to receive, upon exercise of the right, common stock or other property having a value equal to two times the purchase price of the Series A Junior Participating Preferred Stock that the right entitles its holder to purchase.

We may redeem the rights at \$0.01 per right at any time before the earlier of:

the close of business on the 20th day following the stock acquisition date; and

the final expiration date of the rights.

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As of the date of this prospectus, the rights are not exercisable, certificates representing the rights have not been issued and the rights automatically trade with the shares of common stock. The rights will expire on October 31, 2009, unless earlier redeemed.

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### **DESCRIPTION OF THE PREFERRED STOCK**

#### **General**

Under our Restated Certificate of Incorporation, our board of directors has the authority, without further stockholder action, to issue up to 10,000,000 shares of preferred stock, without par value, in one or more series, with such terms and for such consideration as the board may determine. We have reserved for issuance 1,500,000 shares of Series A Junior Participating Preferred Stock pursuant to the Rights Agreement described above. As of the date of this prospectus, there were no shares of preferred stock outstanding.

The following description sets forth general terms that will apply to our preferred stock. We will describe the particular terms of any preferred stock that we offer in the prospectus supplement relating to those shares of preferred stock. Those terms may include:

the maximum number of shares to constitute the series;

any annual dividend rate on the shares, whether the rate is fixed or variable or both, the date or dates from which dividends will accrue, whether the dividends will be cumulative and any dividend preference;

whether the shares will be redeemable and, if so, the price at and the terms and conditions on which the shares may be redeemed;

any liquidation preference applicable to the shares;

the terms of any sinking fund;

any terms and conditions on which the shares of the series will be convertible into, or exchangeable for, shares of any other capital stock;

any voting rights of the shares of the series; and

any other preferences or special rights or limitations on the shares of the series.

#### **Voting**

Unless required by law or specifically provided for by our board of directors, the holders of our preferred stock have no voting power on any matter.

Under interpretations adopted by the Federal Reserve Board, if the holders of preferred stock of any series become entitled to vote for the election of directors, such series may then be deemed a class of voting securities. A holder of 25% or more of a class of voting securities, or a holder of less than 25% if it exercises a controlling influence over us, may then be subject to regulation as a bank holding company in accordance with the Bank Holding Company Act of 1956. In addition, at the time a class of preferred stock is deemed a class of voting securities, any other bank holding company may be required to obtain the prior approval of the Federal Reserve Board to acquire 5% or more of the series, and any person other than a bank holding company may be required to obtain the prior approval of the Federal Reserve Board to acquire 10% or more of the series.

#### **Dividends**

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Before declaration and payment of any dividends on our classes of stock that rank junior to preferred stock, the holders of shares of preferred stock will receive any cash dividends to which they are entitled out of legally available funds.

### **Provisions with Possible Anti-Takeover Effects**

As discussed under Description of Common Stock Preferred Stock Purchase Rights, we have adopted a Rights Agreement that provides stockholders with rights to purchase shares of our Series A Junior Participating

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Preferred Stock under certain circumstances involving a potential change in control. The Rights Agreement is intended as a means to protect the value of the stockholders' investment in us while preserving the possibility of a fair acquisition bid. In addition, the Delaware General Corporation Law provides, among other things, that any beneficial owner of more than 15% of our voting stock is prohibited, without the prior approval of our board of directors, from entering into any business combination with us for three years from the date the 15% ownership interest is acquired.

## **DESCRIPTION OF THE DEBT SECURITIES**

### **General**

The following description sets forth general terms that will apply to the debt securities. We will describe the particular terms of any debt securities that we offer in the prospectus supplement relating to those debt securities.

The debt securities will be either our senior debt securities or our subordinated debt securities. The senior debt securities will be issued under an indenture dated as of August 15, 2006, between us and The Bank of New York Mellon Trust Company, N.A., as trustee. We refer to this indenture as the senior indenture. The subordinated debt securities will be issued under the Junior Subordinated Indenture dated January 1, 1997 between us and The Bank of New York Mellon Trust Company, N.A., as successor to The First National Bank of Chicago, as trustee. We refer to this indenture as the subordinated indenture and, together with the senior indenture, as the indentures. The indentures have been or will be qualified under the Trust Indenture Act of 1939.

We have filed copies of the indentures as exhibits to the registration statement. For your convenience, we have included references to specific sections of the indentures in the descriptions below. Capitalized terms not otherwise defined in this prospectus will have the meanings given in the indenture to which they relate.

The following summaries of provisions of the debt securities and the indentures are not complete and are qualified in their entirety by reference to the provisions of the indentures and the debt securities.

Because we are a holding company and conduct our business through our subsidiaries, all of our debt securities senior as well as subordinated will be structurally subordinated to the liabilities of our subsidiaries. Our rights, and the rights of our creditors, including the holders of the debt securities, to participate in any distribution of the assets of any of our subsidiaries upon that subsidiary's liquidation or reorganization or otherwise is necessarily subject to the prior claims of creditors of that subsidiary, except to the extent that our claims as a creditor of that subsidiary may be recognized. Neither the terms of the debt securities nor the indentures restrict us or any of our subsidiaries from incurring indebtedness.

Neither of the indentures limits the principal amount of debt securities that we may issue. Each indenture provides that debt securities may be issued in one or more series up to the principal amount that we may authorize from time to time. Each indenture also provides that the debt securities may be denominated in any currency or currency unit that we designate. In addition, each series of debt securities may be reopened in order to issue additional debt securities of that series in the future without the consent of the holders of debt securities of that series. Unless otherwise described in the prospectus supplement relating to a particular offering, neither the indentures nor the debt securities will contain any provisions to afford holders of any debt securities protection in the event of a takeover, recapitalization or similar restructuring of our business.

The senior debt securities will rank equally with all of our other unsecured and unsubordinated debt. The subordinated debt securities will rank junior to all of our senior debt securities and other senior indebtedness, as described below under Additional Terms of the Subordinated Debt Securities Subordination.

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We will describe the specific terms relating to each particular series of debt securities in the prospectus supplement relating to the offering of those debt securities. The terms we will describe in the prospectus supplement will include some or all of the following:

the title and type of the debt securities;

the total principal amount or initial offering price of the debt securities;

the date or dates when the principal of the debt securities will be payable;

whether we will have the right to extend the stated maturity of the debt securities;

whether the debt securities will bear interest and, if so, the rate or rates, or the method for calculating the rate or rates, of interest;

if the debt securities will bear interest, the date from which interest will accrue, the dates when interest will be payable and the regular record dates for these interest payment dates;

the place where the principal, premium, if any, and interest, if any, on the debt securities will be paid, registered debt securities may be surrendered for registration of transfer, and debt securities may be surrendered for exchange;

any sinking fund or other provisions that would obligate us to repurchase or otherwise redeem the debt securities;

the terms and conditions upon which we will have the option or the obligation to redeem the debt securities;

the denominations in which any registered debt securities will be issuable;

the identity of each security registrar and paying agent, and the designation of the exchange rate agent, if any, if other than the trustee;

the portion of the principal amount of debt securities that will be payable upon acceleration of the maturity of the debt securities;

the currency used to pay principal, premium, if any, and interest, if any, on the debt securities, if other than U.S. dollars, and whether you or we may elect to have principal, premium and interest paid in a currency other than the currency in which the debt securities are denominated;

any index, formula or other method used to determine the amount of principal, premium or interest on the debt securities;

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any changes or additions to the events of default, defaults or our covenants made in the applicable indenture;

whether the debt securities are issuable as registered debt securities or bearer debt securities, whether there are any restrictions relating to the form in which they are issued and whether bearer and registered debt securities may be exchanged for each other;

to whom interest will be payable

if other than the registered holder (for registered debt securities),

if other than upon presentation and surrender of the related coupons (for bearer debt securities), or

if other than as specified in the indentures (for global debt securities);

whether the debt securities are to be convertible or exchangeable for other securities and, if so, the terms of conversion or exchange;

particular terms of subordination with respect to subordinated debt securities; and

any other terms of the debt securities consistent with the provisions of the applicable indenture. (Section 3.1)



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We may issue debt securities as original issue discount securities to be sold at a substantial discount below their principal amount. If we issue original issue discount securities, then we will describe the material U.S. federal income tax consequences that apply to those debt securities in the applicable prospectus supplement.

### **Registration and Transfer**

We presently plan to issue each series of debt securities only as registered securities. However, we may issue a series of senior debt securities as bearer securities, or a combination of both registered securities and bearer securities. If we issue senior debt securities as bearer securities, they will have interest coupons attached unless we elect to issue them as zero coupon securities. (Section 2.1) If we issue bearer securities, we may describe material U.S. federal income tax consequences and other material considerations, procedures and limitations in the applicable prospectus supplement.

Holders of registered debt securities may present the debt securities for exchange for different authorized amounts of other debt securities of the same series and in the same aggregate principal amount at the corporate trust office of the trustee or at the office of any other transfer agent we may designate for the purpose and describe in the applicable prospectus supplement. The registered securities must be duly endorsed or accompanied by a written instrument of transfer. The agent will not impose a service charge on you for the transfer or exchange. We may, however, require that you pay any applicable tax or other governmental charge. If we issue bearer securities, we will describe any procedures for exchanging those bearer securities for other senior debt securities of the same series in the applicable prospectus supplement. Generally, we will not allow you to exchange registered securities for bearer securities. (Section 3.5)

In general, unless otherwise specified in the applicable prospectus supplement, we will issue registered securities without coupons and in denominations of \$1,000, for senior debt securities, and \$25, for subordinated debt securities, or integral multiples, and bearer securities in denominations of \$5,000. We may issue both registered and bearer securities in global form. (Section 3.5) See Global Securities.

### **Conversion and Exchange**

If any debt securities will be convertible into or exchangeable for our common stock, preferred stock or other securities, the applicable prospectus supplement will set forth the terms and conditions of the conversion or exchange, including:

the conversion price or exchange ratio;

the conversion or exchange period;

whether the conversion or exchange will be mandatory or at the option of the holder or us;

provisions for adjustment of the conversion price or exchange ratio; and

provisions that may affect the conversion or exchange if the debt securities are redeemed.

### **Redemption**

Unless otherwise indicated in the applicable prospectus supplement, upon approval of the Federal Reserve if required under then applicable law, we may, at our option, redeem any series of debt securities in whole at any time or in part from time to time. If any series of debt securities are redeemable only on or after a certain date or only upon satisfaction of additional conditions, the applicable prospectus supplement will specify the date or the additional conditions. Unless otherwise specified in the applicable prospectus supplement, the redemption price for debt securities will equal 100% of the principal amount plus any accrued and unpaid interest on those debt securities.



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The applicable prospectus supplement will contain the specific terms on which we may redeem a series of debt securities prior to its stated maturity. We will send a notice of redemption to holders at least 30 days but not more than 60 days prior to the redemption date. The notice will state:

the redemption date;

the redemption price;

if less than all of the debt securities of the series are being redeemed, the particular debt securities to be redeemed (and the principal amounts, in the case of a partial redemption);

that on the redemption date, the redemption price will become due and payable and any applicable interest will cease to accrue on and after that date;

the place or places of payment;

whether the redemption is for a sinking fund; and

any other provisions required by the terms of the debt securities of the series that are being redeemed. (Section 11.4)

On or before any redemption date, we will deposit an amount of money with the trustee or with a paying agent sufficient to pay the redemption price. (Section 11.5)

If we are redeeming less than all the debt securities, the trustee will select the debt securities to be redeemed using a method it considers fair and appropriate. After the redemption date, holders of redeemed debt securities will have no rights with respect to the debt securities except the right to receive the redemption price and any unpaid interest to the redemption date.

## **Events of Default**

An event of default regarding any series of debt securities is any one of the following events:

default for 30 days in the payment of any interest installment when due and payable;

default in the payment of principal or premium (if any) when due at its stated maturity, by declaration, when called for redemption or otherwise;

default in the making of any sinking fund payment when due;

default in the performance of any covenant in the debt securities of that series or in the applicable indenture for 60 days (in the case of senior debt securities) or 90 days (in the case of subordinated debt securities) after notice to us by the trustee or by the holders of

25% in principal amount of the outstanding debt securities of that series;

certain events of bankruptcy, insolvency and reorganization;

with respect to senior debt securities only, an event of default in any mortgage, indenture or other instrument of in