

THE FREEDOM TO FOCUS ON
WHAT REALLY MATTERS





THE FREEDOM TO FOCUS ON WHAT REALLY MATTERSSM

On the cover: The shores of Guernsey, one of Northern Trust's newest international locations.

Northern Trust Corporation is a leading provider of investment management, asset and fund administration, fiduciary and banking solutions for corporations, institutions and affluent individuals worldwide. Northern Trust, a multibank holding company based in Chicago, has a growing network of 84 offices in 18 U.S. states and has international offices in 12 locations in North America, Europe and the Asia-Pacific region.

As of December 31, 2005, Northern Trust had assets under custody of \$2.9 trillion, assets under management of \$618 billion and banking assets of \$53 billion.

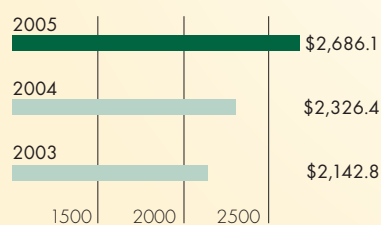
Northern Trust was founded in 1889 and has earned distinction as an industry leader in combining high-touch service and expertise with innovative products and technology.

For more information, visit our web site at www.northerntrust.com.

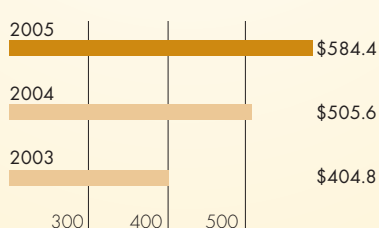
CONSOLIDATED FINANCIAL HIGHLIGHTS

FOR THE YEAR (\$ In Millions)	2005	2004	2003	PERCENT CHANGE	
				2005 vs. 2004	2004 vs. 2003
Total Revenue (taxable-equivalent basis)	\$ 2,686.1	\$ 2,326.4	\$ 2,142.8	15%	9%
Net Income	584.4	505.6	404.8	16	25
Dividends Declared on Common Stock	187.7	171.2	154.2	10	11
PER COMMON SHARE					
Net Income – Basic	\$ 2.68	\$ 2.30	\$ 1.84	17%	25%
– Diluted	2.64	2.27	1.80	16	26
Dividends Declared	.86	.78	.70	10	11
Book Value – End of Period	16.51	15.04	13.88	10	8
Market Price – End of Period	51.82	48.58	46.28	7	5
AVERAGES (\$ In Millions)					
Total Assets	\$ 45,974.1	\$ 41,300.3	\$ 39,115.2	11%	6%
Total Earning Assets	40,454.1	37,009.7	34,788.2	9	6
Securities	9,898.4	8,153.6	8,438.9	21	(3)
Loans and Leases	18,754.0	17,450.9	17,506.9	7	–
Deposits	32,101.8	27,027.5	24,281.7	19	11
Stockholders' Equity	3,434.8	3,145.3	2,975.7	9	6
RATIOS					
Return on Average Assets	1.27%	1.22%	1.04%		
Return on Average Common Equity	17.01	16.07	13.81		
Productivity Ratio	155	152	147		
Tier 1 Capital to Risk-Adjusted Assets	9.71	10.98	11.06		
Total Capital to Risk-Adjusted Assets	12.28	13.31	13.96		
Leverage Ratio	7.12	7.56	7.55		
AT YEAR-END (\$ In Billions)					
Assets Under Management	\$ 617.9	\$ 571.9	\$ 478.6	8%	19%
Assets Under Custody	2,925.3	2,554.4	2,085.8	15	22
Global Custody Assets	1,239.6	965.4	726.9	28	33

Total Revenue \$ in millions



Net Income \$ in millions



Diluted EPS

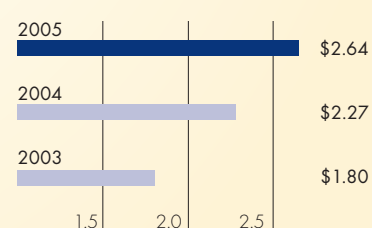


TABLE OF CONTENTS

4

LETTER TO SHAREHOLDERS

9

MORE THAN A CENTURY OF DEDICATION

11

SERVING THE PRIVATE CLIENT MARKET

17

SERVING THE INSTITUTIONAL MARKET WORLDWIDE

24

ADVANCING A CULTURE OF CARING

28

MANAGEMENT COMMITTEE

29

BOARD OF DIRECTORS

30

CONDENSED CONSOLIDATED BALANCE SHEET

31

CONDENSED CONSOLIDATED STATEMENT OF INCOME

32

CORPORATE INFORMATION

TO OUR SHAREHOLDERS



WILLIAM A. OSBORN
*Chairman and
Chief Executive Officer*

Northern Trust has experienced dramatic growth over the past 10 years, transforming into a global financial services enterprise.

We accomplished this growth by remaining true to our focused business strategy and to the principles upon which we were founded: a commitment to unquestioned integrity and honesty, a dedication to excellence in client service, a continuous search for innovative solutions and a passion to improve the communities in which we do business.

Strong Performance

In 2005, we achieved record net income per share of \$2.64, compared with \$2.27 in 2004, an increase of 16 percent. Net income grew 16 percent to \$584.4 million, compared with \$505.6 million earned in the previous year.

Total revenues increased 15 percent to \$2.7 billion, with trust, investment and other servicing fees, foreign exchange trading profits and net interest income exhibiting double-digit growth for the year. The Corporation maintained its excellent financial condition and declared a quarterly cash dividend of 23 cents per share of common stock, an increase of 10 percent, marking the 109th consecutive year of dividends paid.

Global Initiatives

In the United States, we strengthened our industry-leading private client franchise through enhanced new product development initiatives and continued expansion. We introduced the next generation of the Passport online product for Wealth Management clients, offering customizable wealth management and account aggregation tools for family offices. We also opened permanent offices in Minneapolis and Boston.

In Europe, we successfully completed the largest acquisition in our history, adding the capabilities and people of the Financial Services Group of Baring Asset Management to our fast-growing international business. We also entered into an exclusive agreement with Insight Investment Management Limited to outsource their back and middle office investment operations, and we expanded our position as an industry-leading provider of cross-border pension pooling solutions for multinational corporations and global fund managers.

In Asia, we relocated and expanded our Singapore facility to accommodate business growth in the region. We also opened a representative office in Beijing to support new global custody opportunities in China, and we began the process of opening an operations center in Bangalore, India, to supplement our global operating centers in North America and Europe.

Senior Management Changes

Special recognition and gratitude is extended to Vice Chairman and Head of Corporate Risk Management Perry R. Pero who retired in 2005 after a distinguished 41-year career with Northern Trust. Perry made significant contributions to Northern Trust's success, and his hard work, loyalty and outstanding service are appreciated and admired.

To succeed Perry, Jana R. Schreuder was named Executive Vice President and Head of Corporate Risk Management. A 26-year Northern Trust veteran, Jana brings a wealth of industry knowledge and operational experience to this vital role.

Alison A. Winter, President, Personal Financial Services-Northeast, and a member of the Management Committee, will retire on April 3, 2006, after 35 years with Northern Trust. During her career, Alison made tremendous contributions to the success of the company and to the overall growth and strategic expansion of our Personal Financial Services business.

Sherry S. Barrat, a seasoned financial services executive who has been with Northern Trust for 15 years, most recently as Chairman and Chief Executive Officer of Northern Trust Bank of California, was named President-Personal Financial Services. Sherry and William L. Morrison, President-Personal Financial Services, will co-lead our strategic growth initiatives within the personal wealth market.

Frederick H. "Rick" Waddell was elected President and Chief Operating Officer of the Corporation, and was also elected to the Board of Directors. Rick is an exceptional leader. He brings 30 years of experience in successfully managing and growing our businesses to his new role.

And finally, I want to recognize Robert A. Helman who will retire in April, 2006, from the Board of Directors after 20 years of dedicated service. His leadership and thoughtful counsel over the last two decades as a Board and a Board Committee member are greatly appreciated.

The Opportunities Ahead

Our solid financial performance in 2005 reflects the loyalty and trust of our clients and the exceptional efforts and dedication of our employees worldwide.

On behalf of the Board of Directors, I want to express our gratitude to our shareholders for their investment and continued confidence in our organization. As we enter 2006, Northern Trust remains a highly focused, global financial services firm. With an experienced staff of outstanding professionals, a strong balance sheet and a growing U.S. and international presence, we are well positioned to build upon our proven strategies and to successfully capitalize on the many opportunities ahead.

WILLIAM A. OSBORN
Chairman and Chief Executive Officer
February 21, 2006



Client Pamela Russell Krick at her home in Illinois.

MORE THAN A CENTURY OF DEDICATION

Since 1889, Northern Trust has distinguished itself by its commitment to exceptional service, stability, and strong emphasis on client relationships. As a global provider of investment management, asset and fund administration, and fiduciary and banking services, we are uniquely positioned in the competitive financial services landscape.

A FOCUSED BUSINESS STRATEGY

Northern Trust is focused on asset servicing, asset management and banking for affluent individuals and families, primarily located in the United States, and for institutional investors worldwide.

We distribute our products and services through two client-centric business units: Personal Financial Services (PFS) and Corporate and Institutional Services (C&IS). Both business units are supported by Northern Trust Global Investments (NTGI), our multi-asset class investment management business, and Worldwide Operations and Technology (WWOT), the backbone of our information technology infrastructure and transactional processing efficiency.

Our ability to leverage NTGI and WWOT across both distribution channels to better serve our clients distinguishes Northern Trust from other financial services firms. This is an important contributor to our competitive positioning and differentiation.

Northern Trust clients represent a wide range of corporations, institutions, individuals and families in approximately 40 countries and are served by more than 9,000 highly skilled Northern Trust people worldwide.

New business momentum in the U.S. and abroad, as well as improved stock market performance, fueled growth in assets under custody and management in 2005. At year end, assets under custody totaled a record \$2.9 trillion, up 15 percent over 2004.

Assets under management grew to a record \$618 billion, an increase of eight percent over the prior year.

EXCELLENCE IN EXECUTION

Northern Trust offers a full array of innovative products and services. Our success in earning the confidence of clients, as evidenced by our growth in assets under custody and managed assets, demonstrates the way in which our

products and services are meeting with increased market acceptance around the world. Built with a deep understanding of our clients' needs, our solutions-based products and services are delivered in the most user-friendly and time-efficient manner possible. At the same time, we leverage the scale of our technology, enterprise efficiency and product development investments.

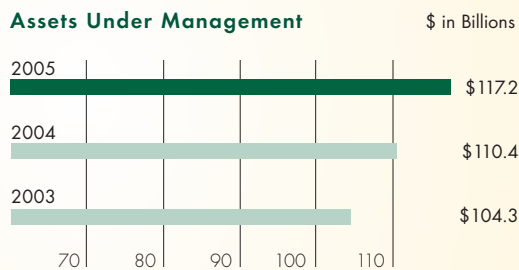
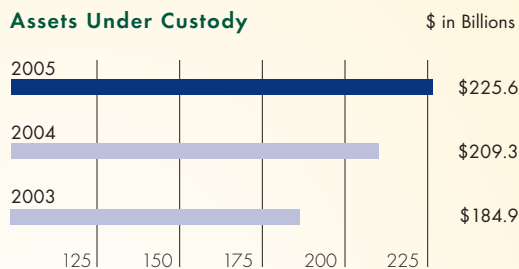
Northern Trust employees strive for excellence – in everything we do. By excelling at what we do and constantly improving our delivery model, we enable our clients to maximize their time. When our clients maximize their time, they can better attend to their own personal and business goals, allowing them the freedom to focus on what really matters most to them.

SERVING THE PRIVATE CLIENT MARKET

In our PFS business unit, Northern Trust creates comprehensive, customized and innovative financial solutions for successful individuals, families and their businesses, delivered with an unparalleled commitment to exceptional high-touch service. At year-end 2005, assets under custody in PFS equaled \$226 billion, up eight percent from a year ago, and managed assets in PFS equaled \$117 billion, up six percent from 2004.

Northern Trust is the largest personal trust company in the nation as measured by trust assets. The geographical reach of our PFS business is also unrivaled: no other private bank in the U.S. has as many offices exclusively focused on the affluent market. Our convenient locations and attractive facilities are within a 45-minute drive of approximately half of the nation's millionaire households.

PERSONAL FINANCIAL SERVICES





Client Danny J. Bakewell Sr. and family at home in California.

Each Northern Trust office has an experienced team of asset management, fiduciary and private banking professionals on staff who reside in the communities where our clients live and work. This close proximity to our clients is one of the characteristics that makes Northern Trust unique.

Our efforts to serve the personal wealth market are often recognized by both clients and industry observers. In 2005, Northern Trust received the “Outstanding Private Bank – The Americas” award by *Private Banking International* magazine.

POSITIONED TO MEET PRIVATE CLIENTS’ NEEDS

The number of households within the \$1 million to \$10 million range in investable assets is expected to grow nine percent annually through this decade, and the number of households with \$10 million or more is expected to grow at 11 percent annually,

compared with the overall projected annual U.S. population growth of less than one percent. These projections, fueled by inter-generational wealth transfer rates and other factors, reinforce our consistent and well-defined growth strategy. Northern Trust is positioned for future growth through the expansion of existing relationships and by capturing new business from the projected growth within our target markets.

Our core private client base includes individuals and families with \$1 million or more in investable assets. We offer these clients our extensive selection of investment, fiduciary, banking, financial consulting and online services. Capabilities include investment portfolio management, trust administration, guardianship and estate administration, philanthropic services, cash management tools, personal and business loans, brokerage and mutual funds, IRAs and tax services. We continue to develop investment solutions that specifically address the needs of our core clients.

Affluent individuals and families with investable assets between \$25 million and \$75 million represent one of the fastest growing segments in the U.S. high-net-worth market. Our Wealth Advisory team focuses on meeting the complex financial needs of this target market. Wealth Advisory clients often want total investment solutions utilizing multiple money managers, while receiving investment guidance from a single professional advisor. Northern Trust meets those needs by providing an integrated suite of services that includes manager diversification through open or blended architecture, strategic asset allocation, single stock exposure management, tax sensitivity and integrated reporting.

Wealth Advisory clients work closely with dedicated advisors who coordinate the efforts of their entire financial services team – including private banking, financial planning, philanthropic and trust services – ensuring that our investment programs capitalize on

changes in client needs, the economy and financial markets in order to grow and protect client assets in a manner consistent with their expressed risk profile.

WEALTH MANAGEMENT

Northern Trust's Wealth Management Group serves the intricate financial needs of individuals and families with assets typically exceeding \$75 million. These clients tend to invest globally, employ multiple money managers and often have a dedicated family office. Specialized services provided to these clients include asset management, investment consulting, global custody, fiduciary services and private banking. Currently, the Wealth Management Group serves more than 330 families and counts as clients 22 percent of the *Forbes 400* most affluent Americans.

Our success in Wealth Management is evident in the exceptional long-term asset growth we have seen in the segment. Custody assets

reached \$114 billion at year-end 2005, reflecting a 10-year compound annual growth rate of 22 percent, and managed assets totaled \$22.4 billion, representing a 10-year compound annual growth rate of 18 percent.

Northern Trust has been serving a limited number of family offices and private clients from London since 1992. The 2005 acquisition of the Financial Services Group (FSG) of Baring Asset Management has extended our footprint in the wealth segment in Europe and provides us with the opportunity to explore ways to serve this market more fully in the years ahead.

THE EVOLUTION OF PRIVATE PASSPORT®

Today, personal clients are more sophisticated and more mobile than ever – wanting real-time access to their portfolios and to our customized services. Through Northern Trust Private Passport®, a robust, personalized, online



Nick Ring, head of Wealth Management in London, outside of Northern Trust's Canary Wharf office.



Senior Vice President David Bailey (left) meets with colleagues to discuss the benefits of the next generation of Passport for the Wealth Management Group's family office clients.

information platform, we are able to provide clients secure access to a unique set of tools, reports, analytical information, market news and expert content and commentary.

Northern Trust Private Passport is one of the most advanced information systems in our industry, delivering the highest standards of quality and flexibility. Clients can customize their home page and the information they obtain in order to manage their assets 24 hours a day, seven days a week from any location in the world via the Internet.

In 2005, we launched the next generation of the Passport online product for Wealth Management clients to help family offices better serve the specialized demands of the world's wealthiest individuals and families. Leveraging many of the advanced and sophisticated tools Northern Trust has developed for its

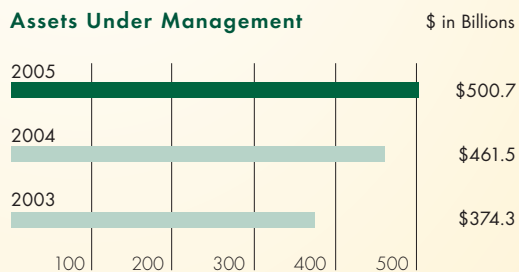
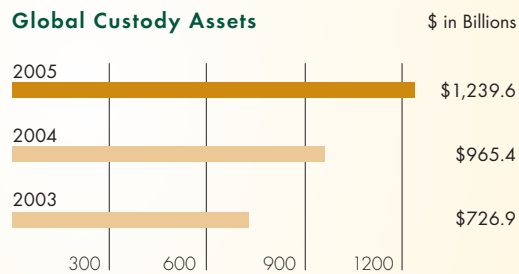
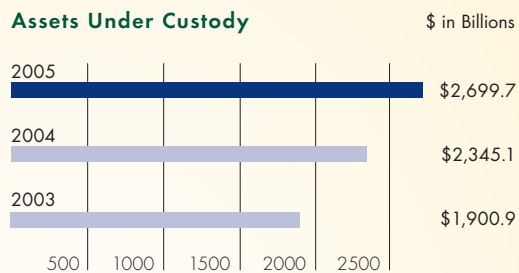
institutional clients, this integrated solution offers comprehensive data aggregation, advanced reporting and customizable wealth management and accounting tools. Family offices are able to conduct transactions, make inquiries, monitor investments and integrate with other financial and technology platforms. They become empowered to run more efficiently, make smarter strategic decisions, and ultimately focus time and attention on the families served.

SERVING THE INSTITUTIONAL MARKET WORLDWIDE

Northern Trust is a global leader in helping manage the sophisticated financial needs of corporations, governments and public entities, financial institutions, foundations and endowments, insurance companies and investment managers worldwide through the application of innovative technology and investment solutions, with an integral emphasis on client relationships. We serve clients in approximately 40 countries and support their investment needs in 90 markets worldwide.

Today, we deliver our institutional product and service offerings from offices located across the Americas, Europe and the Asia-Pacific region. Our focused U.S. and global expansion strategy, strong global market position and successful business development efforts have translated into an established market presence.

CORPORATE & INSTITUTIONAL SERVICES





Atul Manek, Chief Operating Officer of Northern Trust's client Insight Investment Management Limited, in his U.K. office.

At year-end 2005, institutional assets under custody totaled \$2.7 trillion, up 15 percent from 2004. Global custody assets comprised 46 percent of that total at \$1.2 trillion, an increase of 28 percent from a year ago. Institutional managed assets reached \$501 billion at year end, up eight percent from 2004.

CONTINUED GLOBAL EXPANSION

In 2005, in addition to opening an office in Beijing and expanding our operations in Singapore, we began the development of a leased facility in Bangalore, India, that will supplement our North American and European operations and technology centers and enhance our competitive position by expanding contingency back-up and support in multiple locations and time zones.

Northern Trust has always placed the highest priority on ensuring a safe and secure

operating environment. We continuously assess systems, critical functions and disaster recovery processes to enhance global business continuity plans, which are designed to deal effectively with unforeseen events that might cause serious business disruption. Having an additional recovery and processing site in the Asia-Pacific region will add another layer of security for our clients.

FINANCIAL SERVICES GROUP INTEGRATION

Our acquisition of the Financial Services Group of Baring Asset Management supplements our existing fund administration services and further strengthens our position as a market leader in serving global fund managers.

FSG has an exciting array of capabilities to support our clients, including hedge fund, private equity and property administration.

The FSG transaction also brings a strong group of valued clients to Northern Trust.



The acquisition of the Financial Services Group of Baring Asset Management further strengthens Northern Trust's global position and expands our product capabilities.

The FSG integration was a major initiative in 2005 and progressed on schedule. We anticipate that all major integration activities will be complete by the end of 2006.

GROWTH IN INSTITUTIONAL ASSETS

C&IS experienced strong growth in 2005, driven by a number of new custody client relationships, including announced wins such as Fourth Swedish National Pension Fund, Hospitals of Ontario Pension Plan (one of the top ten custody mandates awarded in the world in 2005), Lloyd's Superannuation Fund, Nortel, Rensselaer Polytechnic Institute and Sony U.K., as well as treasury management business from Jackson National Life. New institutional asset management mandate wins in 2005 included Arizona-Sonora Desert Museum; Central States, Southeast and Southwest Areas Pension Fund; Lumina Foundation for Education; and Mediolanum Asset Management Ltd.

In addition to these new business wins, Northern Trust maintained a compelling presence in key client segments. In the U.K., we serve 25 percent of the top 200 pension plans and 28 percent of the local authority market. We also serve 34 percent of the 200 largest pension funds in the U.S., 31 percent of the top 100 U.S. public funds, and 32 percent of the top 25 U.S. Taft-Hartley plans. Our foundations and endowments segment also has seen new business growth, and we now work closely with 32 percent of the top 50 U.S. foundations and 28 percent of the top 50 U.S. endowments.

We also continued to make excellent progress in our efforts to design investment solutions for our institutional clients around the world, positioning Northern Trust for continued growth. Based on assets under management in 2005, Northern Trust ranked as the eighth largest institutional money manager in the

world, the third largest institutional index manager and the fourth largest manager of U.S. tax-exempt assets.

INNOVATIVE PRODUCTS AND SERVICES

We continue to demonstrate innovation and capitalize upon opportunities in the asset management and asset servicing arena.

Last year, Julius Baer Investment Management's institutional investment management office in New York retained Northern Trust to provide middle and back office outsourcing solutions. In 2005, Northern Trust was selected to provide investment outsourcing solutions for Julius Baer Investments Limited's institutional investment management business in the U.K.

Northern Trust also entered into an exclusive agreement with Insight Investment Management Limited in London in 2005 to outsource their back and middle office investment operation.



Northern Trust ranks as the eighth largest investment manager worldwide, the third largest institutional index manager and the fourth largest manager of U.S. tax-exempt assets.

This relationship represents an opportunity for Insight to increase the technological and service benefits they provide to their clients, while providing Northern Trust with an enhanced platform for delivering our outsourcing services to clients across Europe.

Northern Trust has led the industry in the development of cross-border pooling solutions, which allow large multinational companies with pension funds in two or more countries to pool their investment assets to enhance governance and risk management and gain economies of scale. During 2005, Northern Trust was selected to provide custody and fund administration services to two major multinationals, including Uninvest, the pension asset pooling vehicle launched by Unilever. Northern Trust is believed to be the first to service tax-transparent, cross-border pension pooling vehicles launched for multinational corporations in both Dublin and Luxembourg.

We are also launching tax-transparent pooling vehicles on behalf of investment managers.

Northern Trust further penetrated the Nordic region with our manager-of-managers expertise through a new relationship with Nordea, one of Europe's leading financial services groups. Northern Trust will provide manager research, selection and monitoring services for Nordea's new manager-of-manager funds. Northern Trust Global Advisors will act as sub-adviser for the funds, which will be sold via Nordea's Life and Pension distribution channels.

SERVICE EXCELLENCE BUILDS CLIENT LOYALTY

Excellence in client service is a core component of our cultural heritage. We place a premium on getting to know our clients and their specific needs. This allows us to fulfill our commitments to clients and differentiate our offering from competitors' offerings.

Our client focus is exemplified by the array of awards we have received. *Global Pensions* magazine named Northern Trust "Custodian of the Year for 2005." In 2005, we also were named "European Pension Fund Custodian of the Year" for the second consecutive year, "European Client Relationship Manager of the Year," and "European Securities Lender of the Year" by *International Custody and Fund Administration* magazine. The annual *International Securities Finance* magazine survey selected Northern Trust as "#1 Overall Global Securities Lender" and #1 in the following regional categories: Europe, Asia and the Americas.

Northern Trust has held the U.K. "Investor in People" award since 2000, and in 2005 received the prestigious "Leadership and Management" award. We are one of only four companies in London and the only financial services organization to hold this distinction.

ADVANCING A CULTURE OF CARING

Northern Trust believes that vibrant and healthy communities benefit all who live and work in them. Throughout our history, we have been committed to improving the quality of life in the communities we serve by supporting human services efforts, educational needs and cultural outreach, all designed to promote inclusion.

Northern Trust employees again demonstrated their generous spirit in 2005, particularly as a result of natural disasters such as the Asian tsunami and the hurricanes that hit the Gulf Coast region; employee and corporate disaster relief donations exceeded \$1 million.

Volunteerism remains deeply rooted in our community commitment. More than 2,000 employees reported that they supported charitable efforts in 2005, donating more than 225,000 volunteer hours to large and small organizations worldwide.

In addition, Northern Trust reinvested in communities nationwide through contributions to community service agencies and organizations, progressive community lending efforts, and matching gift and volunteer grant programs that enhance and encourage giving by current Northern Trust employees, directors and retirees. We have reaffirmed our commitment to community development and revitalization through our Community Reinvestment Act (CRA) initiatives. Across the U.S., Northern Trust provided more than \$70 million in affordable mortgage loans and more than \$68 million in community development loans. CRA investments completed for the year were \$7 million.

We also give back to these communities through gifts in-kind such as donations of meeting space, graphic design expertise and directorship guidance to numerous charitable



For more than a decade, Northern Trust has supported The Merit School of Music in Chicago through both financial contributions and employee involvement. Merit's primary goals are to help young people achieve their full musical potential, to remove economic barriers to participation, and to stimulate personal and educational growth through music.



At Northern Trust, client service is all about integrity, anticipation, execution, care and attention, expertise and creative solutions.

and civic boards. In 2005, Northern Trust donated more than \$13 million in cash contributions to numerous charitable and civic organizations worldwide and was named to *Business Ethics* magazine’s “100 Best Corporate Citizens” list. Northern Trust’s goal is to donate approximately 1.5 percent of its pre-tax profits to charities every year.

CHAMPIONING DIVERSITY AND PROMOTING INCLUSION

Northern Trust has been at the forefront in championing diversity for many years. Today, in the U.S. more than 34 percent of our employees are minorities and more than 56 percent are women. Globally, more than 28 percent are minorities and more than 54 percent are women. For the fourteenth consecutive year, Northern Trust has been named to *Working Mother* magazine’s list of “100 Best Companies for Working Mothers.”

To ensure that we maintain momentum and drive toward our goals, Northern Trust has a Corporate Diversity Council that serves as a catalyst for establishing corporate-wide diversity programs, policies and targets; measuring the organization's success against established goals; leading communication and outreach efforts on diversity; and benchmarking and educating corporate partners on best practice approaches for continuous improvement in the area of diversity.

Our success in this mission helps Northern Trust provide unrivaled service to clients and a healthy and thriving workplace environment for partners from diverse demographic groups across all levels of the organization. We celebrate differences and educate our employees on those differences through planned diversity events throughout the year.

Northern Trust also promotes the diversity of our suppliers and clients. Last year,

Northern Trust was recognized by the Chicago Minority Business Development Council with its "Success Award," which recognizes a commitment to economic development through supplier diversity. Every two years, we hold our *DreamMakers' Forum*[®], an innovative conference that brings together African-American business owners, corporate executives and professionals with the objective of developing substantive relationships with individuals, their families and their businesses.

What all of this reflects is our unwavering commitment not just to the communities we work in and those we work with, but to the guiding principles our founders held more than a century ago. It is their foresight that has allowed us to become an institution that truly knows what really matters.

NORTHERN TRUST MANAGEMENT COMMITTEE

WILLIAM A. OSBORN
Chairman and Chief Executive Officer



FREDERICK H. WADDELL
*President and
Chief Operating Officer
President –
Corporate and Institutional Services*



JANA R. SCHREUDER
*Executive Vice President
Head of Corporate
Risk Management*



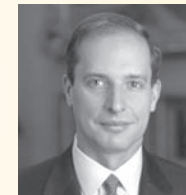
SHERRY S. BARRAT
*President –
Personal Financial Services*



TIMOTHY J. THERIAULT
*President –
Worldwide Operations
and Technology*



STEVEN L. FRADKIN
*Executive Vice President
Chief Financial Officer*



TERENCE J. TOTH
*President –
Northern Trust
Global Investments*



TIMOTHY P. MOEN
*Executive Vice President
Human Resources
and Administration*



KELLY R. WELSH
*Executive Vice President
General Counsel*



WILLIAM L. MORRISON
*President –
Personal Financial Services*



ALISON A. WINTER
*President –
Personal Financial Services
Northeast*

BOARD OF DIRECTORS

William A. Osborn
Chairman of the Board and Chief Executive Officer
Northern Trust Corporation and
The Northern Trust Company (4)

Duane L. Burnham
Retired Chairman and Chief Executive Officer
Abbott Laboratories
Global diversified health care products
and services company (1, 3)

Susan Crown
Vice President
Henry Crown and Company
Company with diversified manufacturing operations,
real estate and securities (1, 2)

Robert A. Helman
Partner
Mayer, Brown, Rowe & Maw LLP
Law firm (5, 6)

Dipak C. Jain
Dean
Kellogg School of Management
Northwestern University
Educational institution (1, 6)

Arthur L. Kelly
Managing Partner
KEL Enterprises L.P.
Holding and investment partnership (2, 4, 6)

Robert C. McCormack
Advisory Director
Trident Capital, Inc.
Venture capital firm (2, 5)

Edward J. Mooney
Retired Délégué Général – North America
Suez Lyonnaise des Eaux
Worldwide provider of energy, water, waste
and communications services;
Retired Chairman and Chief Executive Officer
Nalco Chemical Company
Manufacturer of specialized service chemicals (1, 2, 4)

John W. Rowe
Chairman, President and Chief Executive Officer
Exelon Corporation
Producer and wholesale marketer of energy (1, 6)

Harold B. Smith
Chairman of the Executive Committee
Illinois Tool Works Inc.
Manufacturer and marketer of engineered components
and industrial systems and consumables (3, 4, 5, 6)

William D. Smithburg
Retired Chairman, President and Chief Executive Officer
The Quaker Oats Company
Worldwide manufacturer and marketer of
beverages and grain-based products (2, 3, 4)

Charles A. Tribbett III
Managing Director
Russell Reynolds Associates (3, 5)
Global recruiting firm

Frederick H. Waddell
President and Chief Operating Officer
President – Corporate and Institutional Services
Northern Trust Corporation and
The Northern Trust Company

Board Committees

1. Audit Committee
2. Compensation and Benefits Committee
3. Corporate Governance Committee
4. Executive Committee
5. Business Risk Committee
6. Business Strategy Committee

CONDENSED CONSOLIDATED BALANCE SHEET

	DECEMBER 31	
(\$ IN MILLIONS EXCEPT SHARE INFORMATION)	2005	2004
ASSETS		
Cash and Due from Banks	\$ 2,996.2	\$ 2,052.5
Federal Funds Sold and Securities Purchased under Agreements to Resell	4,845.1	1,339.9
Time Deposits with Banks	11,123.1	11,793.2
Other Interest-Bearing Securities	67.5	34.4
Available for Sale	9,970.7	7,918.9
Held to Maturity (Fair value – \$1,161.6 in 2005 and \$1,156.6 in 2004)	1,135.5	1,120.2
Trading Account	2.8	2.6
Total Securities	11,109.0	9,041.7
Loans and Leases		
Commercial and Other	11,628.0	9,847.4
Residential Mortgages	8,340.5	8,095.3
Total Loans and Leases (Net of unearned income – \$451.1 in 2005 and \$487.5 in 2004)	19,968.5	17,942.7
Reserve for Credit Losses Assigned to Loans and Leases	(125.4)	(130.7)
Buildings and Equipment	471.5	465.1
Customers' Acceptance Liability	.7	2.0
Trust Security Settlement Receivables	317.0	148.9
Other Assets	2,640.6	2,587.0
Total Assets	\$ 53,413.8	\$ 45,276.7
LIABILITIES		
Deposits		
Demand and Other Noninterest-Bearing	\$5,383.6	\$5,472.8
Savings and Money Market	8,278.9	7,950.6
Savings Certificates	1,565.2	1,494.0
Other Time	391.6	370.7
Non-U.S. – Demand	2,043.2	904.2
– Time	20,857.0	14,865.3
Total Deposits	38,519.5	31,057.6
Federal Funds Purchased	1,096.9	1,018.3
Securities Sold under Agreements to Repurchase	1,610.8	2,847.9
Commercial Paper	144.6	145.4
Other Borrowings	2,647.9	1,416.0
Senior Notes	272.5	200.0
Long-Term Debt	2,818.1	2,624.6
Floating Rate Capital Debt	276.4	276.3
Liability on Acceptances	.7	2.0
Other Liabilities	2,425.6	2,393.0
Total Liabilities	49,813.0	41,981.1
STOCKHOLDERS' EQUITY		
Common Stock, \$1.66 2/3 Par Value; Authorized 560,000,000 shares in 2005 and 2004; Outstanding 218,128,986 shares in 2005 and 219,067,733 shares in 2004	379.8	379.8
Retained Earnings	3,672.1	3,300.6
Accumulated Other Comprehensive Income	(18.7)	(14.7)
Common Stock Issuable – Stock Incentive Plans	55.5	63.0
Deferred Compensation	(29.5)	(25.0)
Treasury Stock (at cost – 9,792,538 shares in 2005 and 8,853,791 shares in 2004)	(458.4)	(408.1)
Total Stockholders' Equity	3,600.8	3,295.6
Total Liabilities and Stockholders' Equity	\$ 53,413.8	\$ 45,276.7

Refer to Northern Trust Corporation's 2005 Financial Annual Report to Shareholders for a complete set of consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31

(\$ IN MILLIONS EXCEPT PER SHARE INFORMATION)	2005	2004	2003
Noninterest Income			
Trust, Investment and Other Servicing Fees	\$ 1,559.4	\$ 1,330.3	\$ 1,189.1
Foreign Exchange Trading Profits	180.2	158.0	109.6
Treasury Management Fees	71.2	88.1	95.6
Security Commissions and Trading Income	55.2	50.5	54.8
Other Operating Income	97.5	83.8	93.1
Investment Security Gains, net	.3	.2	—
Total Noninterest Income	1,963.8	1,710.9	1,542.2
Net Interest Income			
Interest Income	1,590.6	1,118.2	1,055.7
Interest Expense	929.2	557.1	507.5
Net Interest Income	661.4	561.1	548.2
Provision for Credit Losses	2.5	(15.0)	2.5
Net Interest Income after Provision for Credit Losses	658.9	576.1	545.7
Noninterest Expenses			
Compensation	774.2	661.7	652.1
Employee Benefits	190.4	161.5	133.1
Occupancy Expense	133.7	121.5	132.7
Equipment Expense	83.2	84.7	88.2
Other Operating Expenses	553.4	503.1	450.7
Total Noninterest Expenses	1,734.9	1,532.5	1,456.8
Income from Continuing Operations before Income Taxes	887.8	754.5	631.1
Provision for Income Taxes	303.4	249.7	207.8
Income from Continuing Operations	584.4	504.8	423.3
Income (Loss) from Discontinued Operations	—	.8	(18.5)
NET INCOME	\$ 584.4	\$ 505.6	\$ 404.8
PER COMMON SHARE			
Income from Continuing Operations – Basic	\$ 2.68	\$ 2.30	\$ 1.92
– Diluted	2.64	2.26	1.89
Net Income – Basic	\$ 2.68	\$ 2.30	\$ 1.84
– Diluted	2.64	2.27	1.80
Cash Dividends Declared	.86	.78	.70
Average Number of Common Shares Outstanding – Basic	218,101,996	219,492,478	220,203,094
– Diluted	221,557,188	223,135,699	224,067,844

Refer to Northern Trust Corporation's 2005 Financial Annual Report to Shareholders for a complete set of consolidated financial statements.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

TO THE STOCKHOLDERS AND BOARD OF DIRECTORS OF NORTHERN TRUST CORPORATION:

We have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Northern Trust Corporation and subsidiaries as of December 31, 2005 and 2004, and the related consolidated statements of income, comprehensive income, changes in stockholders' equity and cash flows for each of the years in the three-year period ended December 31, 2005 (not presented separately herein) and our report dated February 28, 2006 expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated financial statements is fairly stated in all material respects in relation to the consolidated financial statements from which it has been derived.

KPMG LLP

CHICAGO, ILLINOIS • FEBRUARY 28, 2006

CORPORATE INFORMATION

Annual Meeting

The annual meeting of stockholders will be held on Tuesday, April 18, 2006, at 10:30 A.M. (Central Daylight Time) at 50 South La Salle Street, Chicago, Illinois.

Stock Listing

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

Stock Transfer Agent, Registrar and Dividend Disbursing Agent

Wells Fargo Bank, N.A.
Shareowner Services
161 North Concord Exchange Street
South St. Paul, Minnesota 55075
General Phone Number: 1-800-468-9716
Internet Site: www.wellsfargo.com/shareownerservices

Available Information

The Corporation's Internet address is www.northerntrust.com. Through our web site, we make available free of charge our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act (15 U.S.C. 78m(a) or 78o(d)) as soon as reasonably practicable after we electronically file such material with, or furnish such material to, the Securities and Exchange Commission. Information contained on the web site is not part of the Summary Annual Report or the Financial Annual Report.

10-K Report

Copies of the Corporation's 2005 10-K Report filed with the Securities and Exchange Commission will be available by the end of March 2006 and will be available free of charge to stockholders and other interested persons upon written request to:

Rose A. Ellis
Corporate Secretary
Northern Trust Corporation
50 South La Salle Street, M-9
Chicago, Illinois 60603

Quarterly Earnings Releases

Copies of the Corporation's quarterly earnings releases may be obtained by accessing Northern Trust's web site at www.northerntrust.com or by calling the Corporate Communications department at (312) 444-4272.

Investor Relations

Please direct Investor Relations inquiries to Beverly J. Fleming, Director of Investor Relations, at (312) 444-7811 or beverly_fleming@ntrs.com.

www.northerntrust.com

Information about the Corporation, including financial performance and products and services, is available on Northern Trust's web site at www.northerntrust.com.

NTGI

Northern Trust Corporation uses the name Northern Trust Global Investments to identify the investment management business, including portfolio management, research and trading, carried on by several of its affiliates.



THE FREEDOM TO FOCUS ON WHAT REALLY MATTERS



Northern Trust

Northern Trust Corporation • 50 South La Salle Street • Chicago, Illinois 60603