

PRINCIPLES THAT ENDURE

Service

Expertise

Integrity

Northern Trust Corporation

Annual Meeting of Stockholders

Frederick H. Waddell

Chairman & Chief Executive Officer



Northern Trust

northerntrust.com



Forward Looking Statement

This presentation may include forward-looking statements such as statements that relate to Northern Trust's financial goals, capital adequacy, dividend policy, expansion and business development plans, risk management policies, 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 allowance 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 Northern Trust's business and results. These statements speak of Northern Trust's plans, goals, targets, strategies, beliefs, and expectations, and refer to estimates or use similar terms. Actual results could differ materially from those indicated by these statements because the realization of those results is subject to many risks and uncertainties.

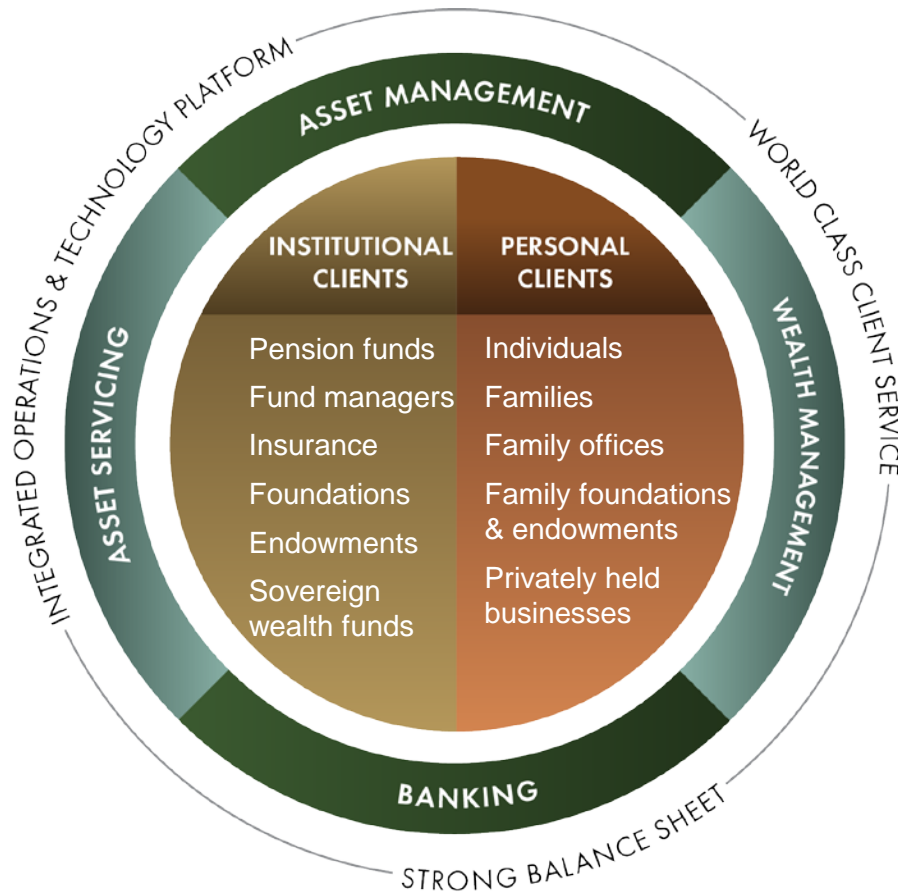
Our 2012 annual report and periodic reports to the SEC contain information about specific factors that could cause actual results to differ, and you are urged to read them. Northern Trust disclaims any continuing accuracy of the information provided in this presentation after today.





A Highly Focused Business Model

Northern Trust Corporation is a global leader in asset servicing, asset management, wealth management and banking for personal and institutional clients.

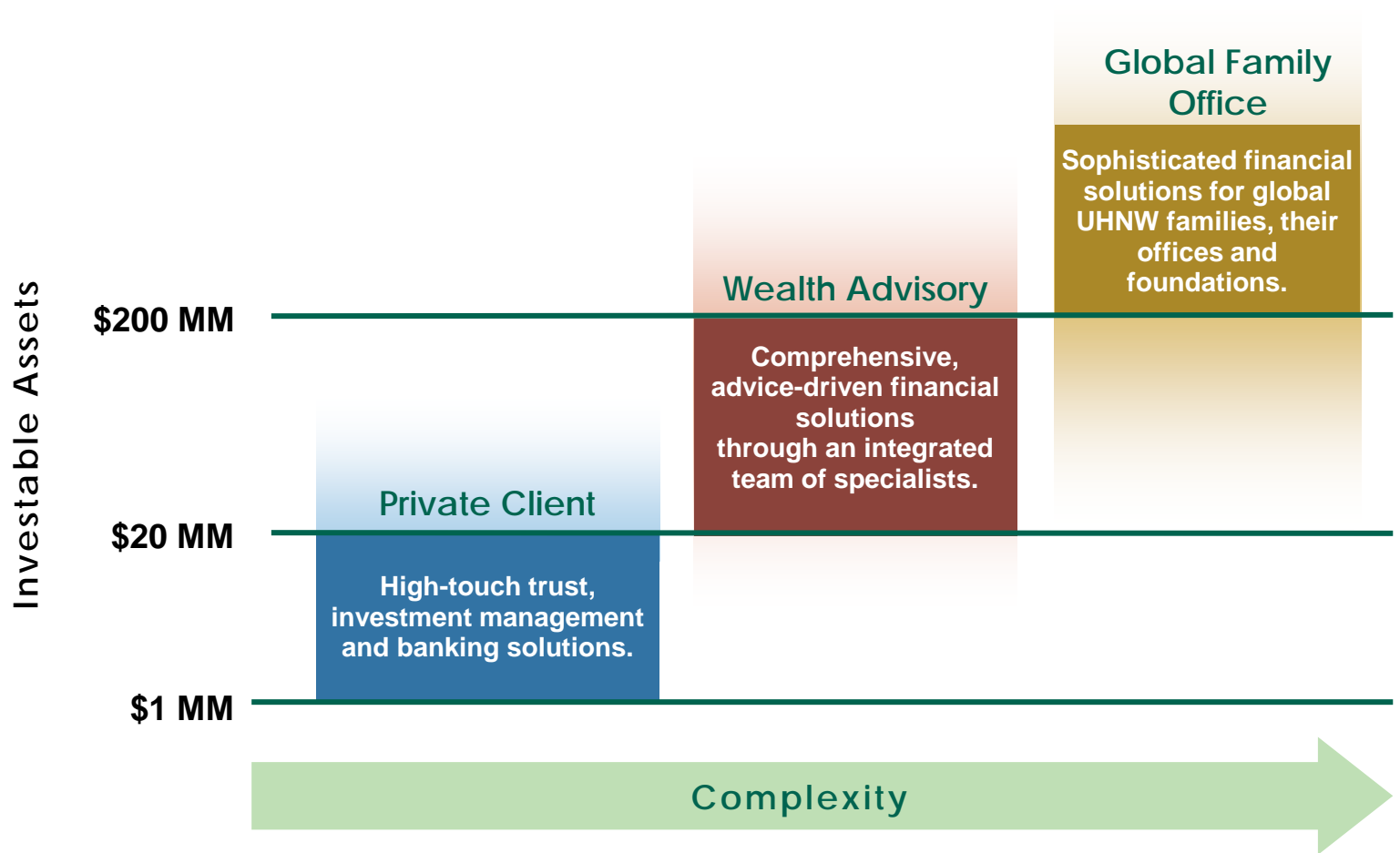


- **Market Leader in Focused Businesses**
- **Strong History of Organic Growth**
- **Focused on Driving Performance**
- **Distinctive Financial Strength**



Delivering Advice-based Solutions to our Target Markets

Teams of specialists are structured to serve three key segments.





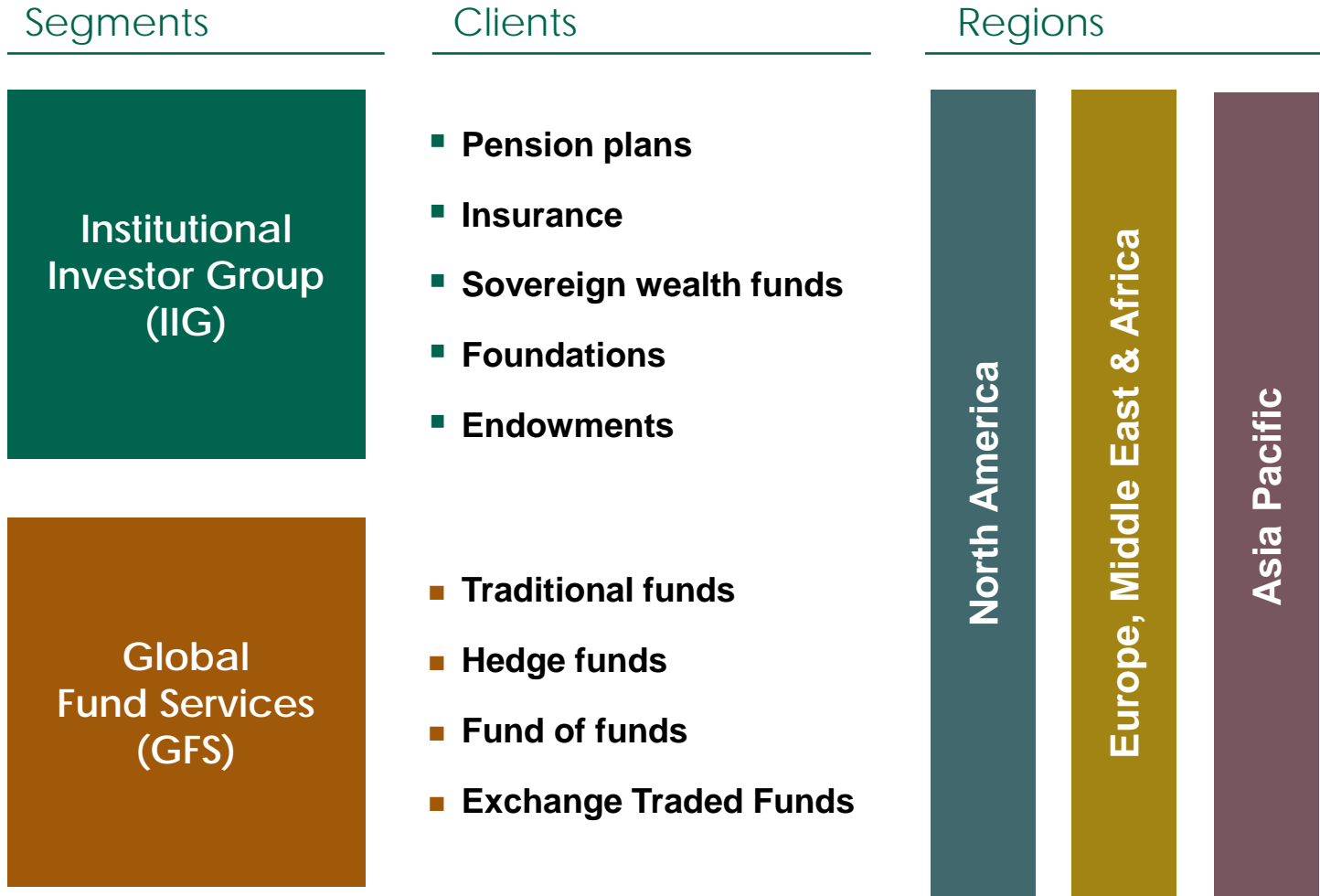
Comprehensive Capabilities Few Firms Can Match

Services are tailored to client needs and goals.

Financial Planning	Asset Management	Private and Business Banking	Trust & Estate Services	Advisory Services	Foundation and Institutional Advisors
<ul style="list-style-type: none"> ■ Cash flow analysis ■ Debt management ■ Tax planning ■ Retirement planning 	<ul style="list-style-type: none"> ■ Custom asset allocation ■ Comprehensive investment capabilities ■ Broad menu of outside managers ■ Brokerage services 	<ul style="list-style-type: none"> ■ Deposit services ■ Custom financing ■ Stock option lending 	<ul style="list-style-type: none"> ■ Wealth transfer planning ■ Trust and estate services ■ Philanthropic advisory services ■ Securities custody 	<ul style="list-style-type: none"> ■ Family education and governance ■ Family business ■ Non-financial asset management 	<ul style="list-style-type: none"> ■ Customized investment objectives and strategic asset allocation ■ Manager selection and oversight ■ Asset servicing and administration



Providing solutions to asset owners and asset managers around the world.





Offering an array of asset servicing and asset management services.

Asset Processing

- Custody/safekeeping
- Settlement
- Derivatives processing
- Benefit payments
- Income collection
- Corporate actions
- Tax reclamation

Asset Administration

- Fund accounting
- Transfer agency
- Corporate secretarial
- Trustee
- Investment operations outsourcing

Asset Reporting

- Investment accounting
- Reporting and valuation
- Performance analytics
- Risk monitoring and reporting
- Trade execution analysis
- Data warehouse

Asset Enhancement

- Cross-border pooling
- Trade execution
- Transition management
- Securities lending
- Foreign exchange
- Commission management
- Passive currency overlay

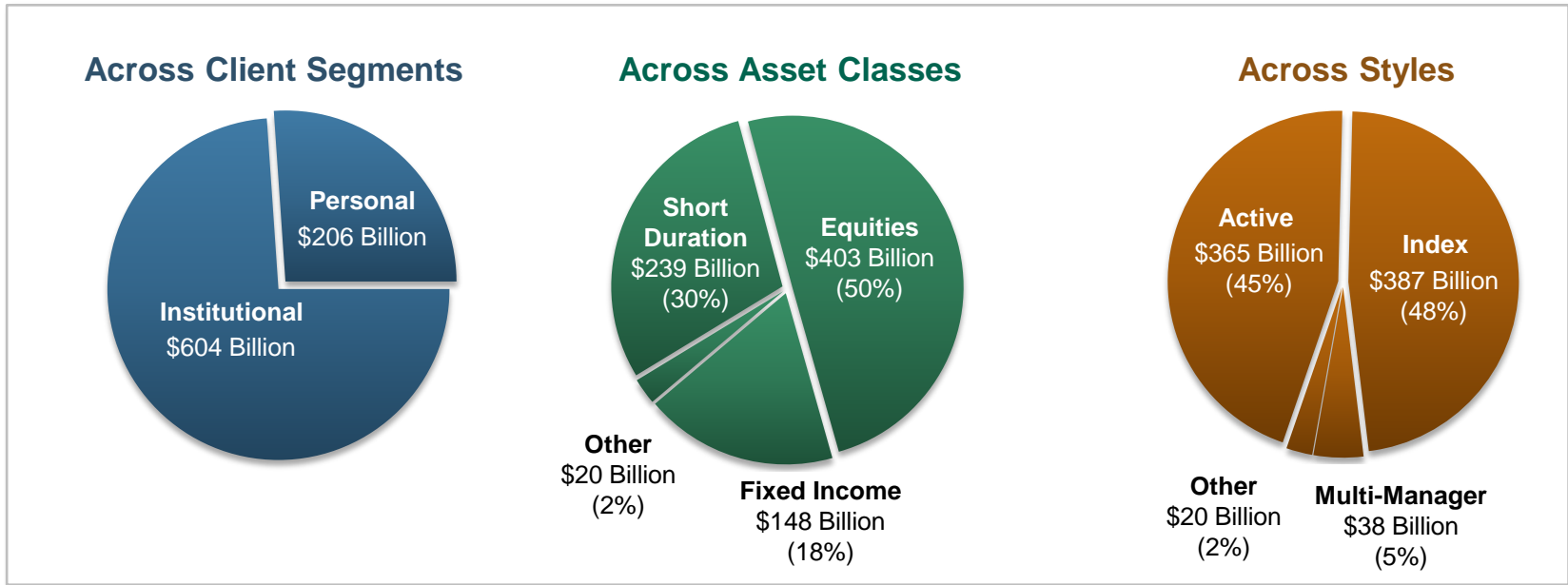
Asset Management

- Cash management
- Index
- Active
- Defined contribution
- Multi-Manager
- Outsourced CIO
- Pension risk management



Assets Under Management: \$810 Billion

Diversified Asset Management Solutions



Delivered through Various Structures



As of March 31, 2013

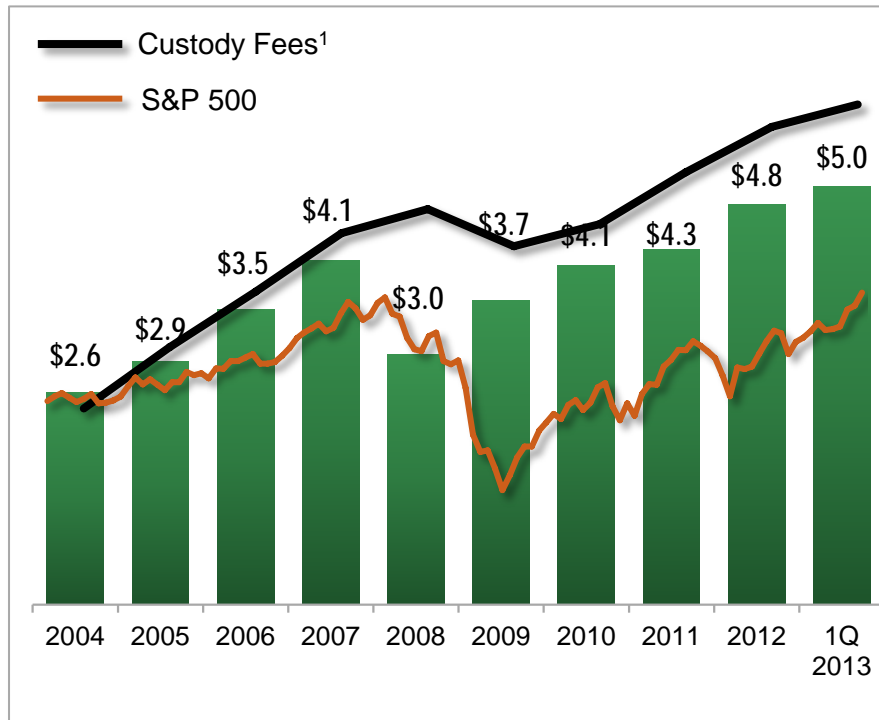
* Includes Common/Collective Funds, and UCITS (Undertakings for Collective Investments in Transferable Securities).



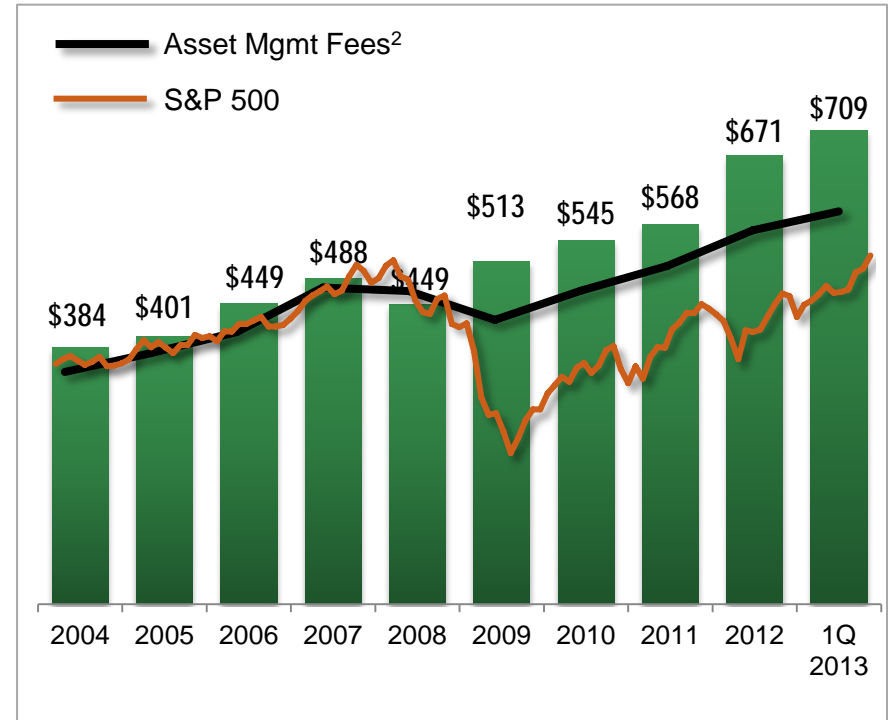
Strong History of Growth in Fee-based Businesses

Fee revenues average approximately 60% of total revenues.

Assets Under Custody (\$ Trillions)



Assets Under Management* (\$ Billions)



* AUM is presented excluding securities lending collateral

¹ Custody fees include C&IS custody & fund administration fees and PFS Wealth Management Group fees.

² Asset management fees include C&IS investment management fees and fees of the four PFS regions.



Trends Impacting our Businesses

Secular Trends

- Global wealth creation
- Globalization/cross-border investing
- Expanding use of alternative assets
- Shift from active to passive management
- Increased regulation
- Focus on risk management
- Demand for transparency
- Back and middle office outsourcing

Cyclical Trends

- Historically low interest rates
- Low foreign exchange volatility
- Low securities lending demand
- Equity markets reflecting increased risk appetite





Revenue Enhancements

- Surpassed 2012 goal of more than half of \$250 million target

Process Optimization

- 2012 benefits were split roughly 40%/60% between revenue and expense
- Improved 2012 pre-tax margin by approximately 375 basis points and return on equity by approximately 150 basis points

Technology Efficiency

- On target to achieve \$250 million of pre-tax benefit in 2013

Corporate-wide Initiatives





2012 Financial Performance

(\$MM, except EPS)

	<u>2012</u>	<u>2012 vs. 2011</u>
Trust, Inv. & Other Servicing Fees	\$2,406	+11%
Foreign Exchange Trading Income	206	-36%
Other Non-Interest Income	294	+10%
Net Interest Income	990	-2%
Total Revenues	<u>3,896</u>	<u>+3%</u>
Non-Interest Expenses	2,879	+2%
Provision for Credit Losses	25	-55%
Pre-Tax Income	<u>992</u>	<u>+12%</u>
Taxes	305	+9%
Net Income	<u>\$687</u>	<u>+14%</u>
Earnings per Share	\$2.81	+14%
Return on Common Equity	9.3%	

- Strong new business results despite difficult macroeconomic environment
- Invested approximately \$591 million in technology
- Improved our return on common equity to 9.3% from 8.6% in 2011
- Results included restructuring, acquisition and integration related charges totaling \$18.6 million versus \$91.6 million in 2011





First Quarter 2013 Financial Performance

(\$MM, except EPS)

	<u>1Q13</u>	<u>1Q13 vs 1Q12</u>	
Trust, Inv. & Other Servicing Fees	\$631	+10%	<ul style="list-style-type: none"> ■ New business and higher equity markets drove strong growth in trust, investment and other servicing fees ■ However, fee growth was largely offset by lower net interest income and the impact of a write-off of certain fee receivables ■ Expense growth was modest as we focused on improving productivity and profitability ■ We continue to invest in the business
Foreign Exchange Trading Income	59	-4%	
Other Non-Interest Income	60	-16%	
Net Interest Income	226	-12%	
Total Revenues	<u>976</u>	<u>+1%</u>	
Non-Interest Expenses	729	+1%	
Provision for Credit Losses	5	-	
Pre-Tax Income	<u>242</u>	<u>+2%</u>	
Taxes	78	+4%	
Net Income	<u>\$164</u>	<u>+2%</u>	
Earnings per Share	\$0.67	+2%	
Return on Common Equity	8.8%		



Returning Capital to Shareholders

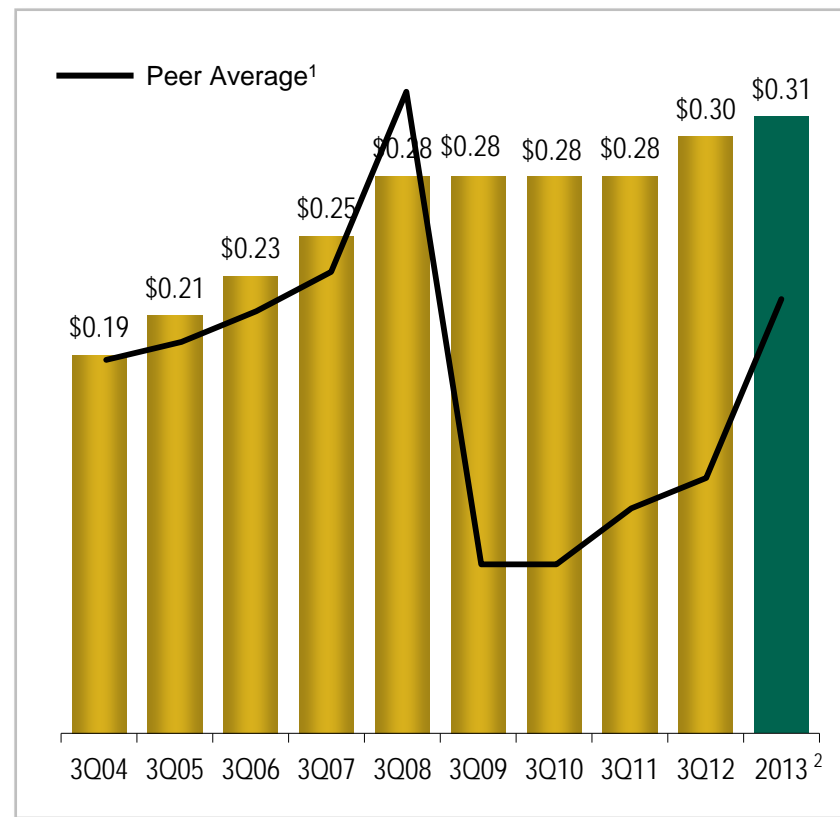
Northern Trust Corporation Capital Ratios

Tier 1 Capital Ratio	13.3%
Total Risk-Based Ratio	14.7%
Leverage Ratio	8.4%
Tier 1 Common Equity	12.8%

Capital Return

- Paid \$287 million in dividends and repurchased \$163 million of our common stock in 2012
- The Federal Reserve did not object to Northern Trust's 2013 capital plan, including a planned increase in our dividend to \$0.31 per share and the repurchase of up to \$400 million of common stock through March 2014

Quarterly Dividend Paid per Common Share



As of March 31, 2013. The ratio of tier 1 common equity to risk-weighted assets is a non-GAAP financial measure. A reconciliation of tier 1 common equity to tier 1 capital calculated in accordance with applicable regulatory requirements and GAAP is included in the Appendix on page 18.

¹Peer data is indexed based on dividend data sourced from SNL Financial. The peer group includes U.S. based banks with assets of more than \$50 billion as of December 31, 2012, a group of 18 institutions excluding Northern Trust.

²2013 figures represent planned dividend actions announced upon completion of the Comprehensive Capital Analysis and Review and the Capital Plan Review. Northern Trust's Board of Directors will consider formal approval of the increase at its regular April meeting. Banks that did not disclose their dividend action are excluded from the peer average.

A Recognized Market Leader



Best Private Bank in North America
– *Financial Times Group*
(November 2012, 4th consecutive year)



Serving More than 20% of Forbes 400 Most Affluent Americans
– *Forbes* (September 2012)



Best Private Wealth Manager
– *Private Asset Management* (February 2013)



Best Trust Company
– *Family Office Review* (June 2012)



Ranked among the Top 10 Wealth Managers
– *Barron's* (September 2012)



Best Administrator – Form PF Solution
– *HFM Week US Services Provider Awards*,
(Oct 2012)



Best Client Servicing in Asia
– *Asia Asset Management Awards*,
(March 2013)



Best Reporting Initiative
– *American Financial Technology Awards*,
Waters Magazine, (Dec 2012)



Best Offshore Fund Administrator
– *Hedgeweek USA Awards*, (June 2012)



Best Administrator for UCITS Funds
– *HFM Week, European Hedge Fund Awards*
(March 2012)



Best Service Provider to ETFs in Europe
– *Annual Global ETF Awards*
(2012, 5th consecutive year)



Best Custody Specialist in Asia
– *The Asset Magazine Awards*
(4th consecutive year)



Global Custodian of the Year
– *Financial Times Business Pension & Investment Provider Awards*, (May 2012)



14th Largest Manager of Worldwide Institutional Assets

15th Largest Asset Manager Worldwide

3rd Largest Passive International Indexed Securities Manager

– *Pensions & Investments* (May 2012 based on December 31, 2011 assets)





Commitment to Corporate Social Responsibility

Community-focused philosophy is central to our development of an integrated, comprehensive and global CSR platform.

- Named to **FTSE4Good Global Index** for 2012; Sixth Consecutive Year
- Named to **MSCI ESG Indices** for 2012/2013: MSCI World ESG Index, MSCI World SRI Index, and MSCI KLD 400 Social Index
- Named to **Dow Jones Sustainability World Index** and the **North America Index** for 2012/2013; Second Consecutive Year
- **50 Out Front for Diversity Leadership: Best Places for Diverse Managers**, *Diversity MBA Magazine*, 2012; Fifth Consecutive Year
- **Top 30 Employers for Working Families, Best Organization for Flexible Working Award**, Working Families Organization, October 2012
- **100 Best Companies for Working Mothers**, *Working Mother* magazine, September 2012; 21st Year on the List
- **100 Best Corporate Citizens**, *CR Magazine*, April 2013
- Northern Trust's global headquarters, 50 South La Salle Street receives **Energy Star Certification**, Environmental Protection Agency, 2012



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Appendix





Reconciliation of Non-GAAP Financial Measures

The following table provides a reconciliation of tier 1 common equity to tier 1 capital calculated in accordance with applicable regulatory requirements and GAAP. Northern Trust is providing the ratio of tier 1 common equity to risk-weighted assets in addition to its capital ratios prepared in accordance with regulatory requirements and GAAP as it is a measure that Northern Trust and investors use to assess capital adequacy.

(\$ In Millions)	March 31, 2012
Tier 1 Capital	\$ 7,587.0
Less: Floating Rate Capital Securities	268.7
Tier 1 Common Equity	\$ 7,318.3
Ratios	
Tier 1 Capital	13.3 %
Tier 1 Common Equity	12.8 %

