

PRINCIPLES THAT ENDURE



# Northern Trust Corporation

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President, Wealth Management

## Barclays Global Financial Services Conference

New York

September 9, 2014



Northern Trust

125  
YEARS



# Forward Looking Statement

This presentation may include forward-looking statements concerning Northern Trust's financial results and outlook, capital adequacy, dividend policy, anticipated expense levels and technology spending, risk management policies, contingent liabilities, strategic initiatives, industry trends, and expectations regarding the impact of recent legislation. Forward-looking statements are typically identified by words or phrases such as "believe", "expect", "anticipate", "intend", "estimate", "project", "likely", "may increase", "plan", "goal", "target", "strategy", and similar expressions or future or conditional verbs such as "may", "will", "should", "would", and "could". Forward-looking statements are Northern Trust's current estimates or expectations of future events or future results, and involve risks and uncertainties that are difficult to predict. These statements are based on assumptions about many important factors, including the factors discussed in Northern Trust's most recent annual report on Form 10-K and other filings with the U.S. Securities and Exchange Commission, all of which are available on Northern Trust's website.

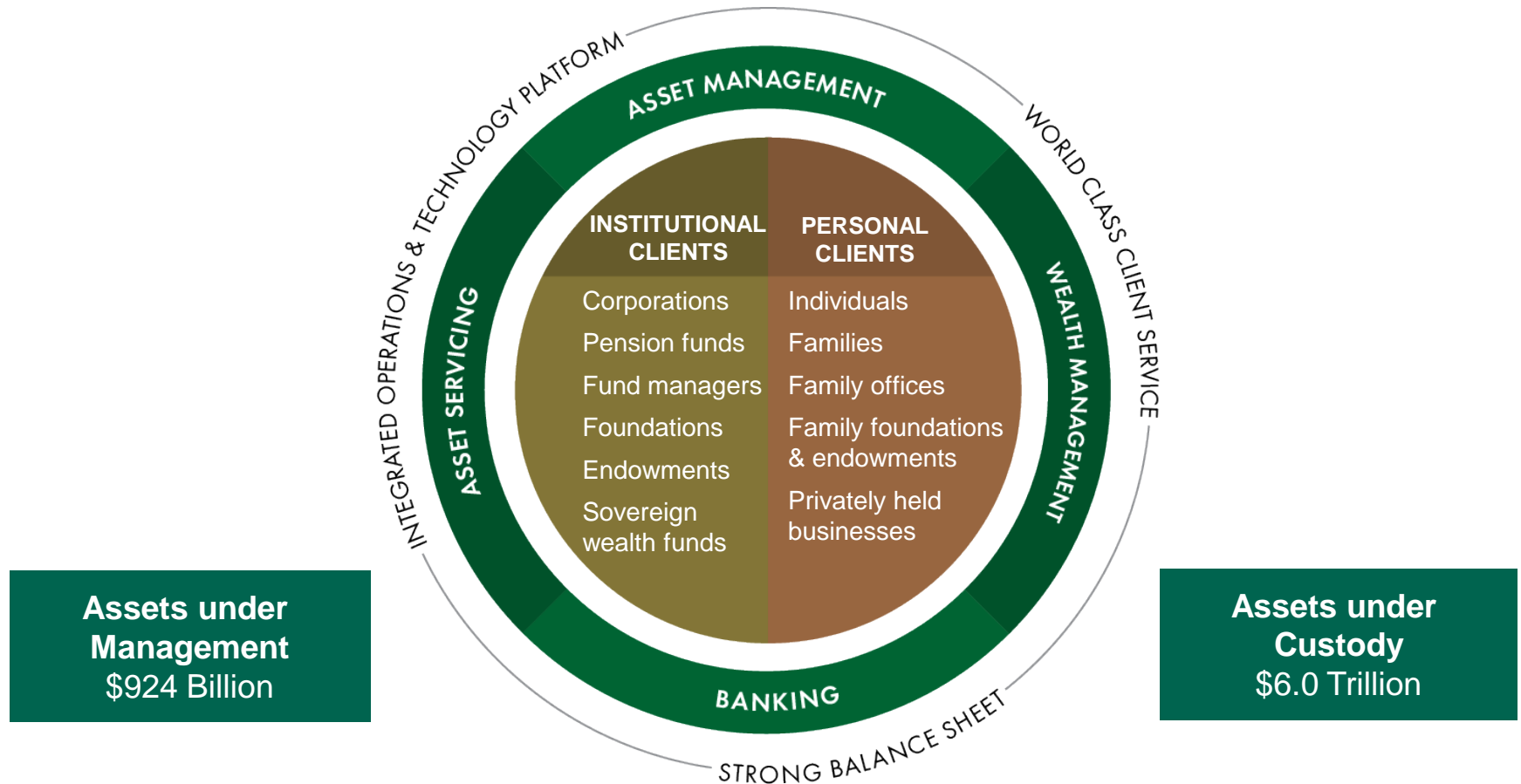
We caution you not to place undue reliance on any forward-looking statement as actual results may differ materially from those expressed or implied by forward-looking statements. Northern Trust assumes no obligation to update its forward-looking statements.





# Celebrating 125 Years of Service, Expertise & Integrity

Founded in 1889, Northern Trust is a global leader in asset servicing, asset management, wealth management and banking for personal and institutional clients.

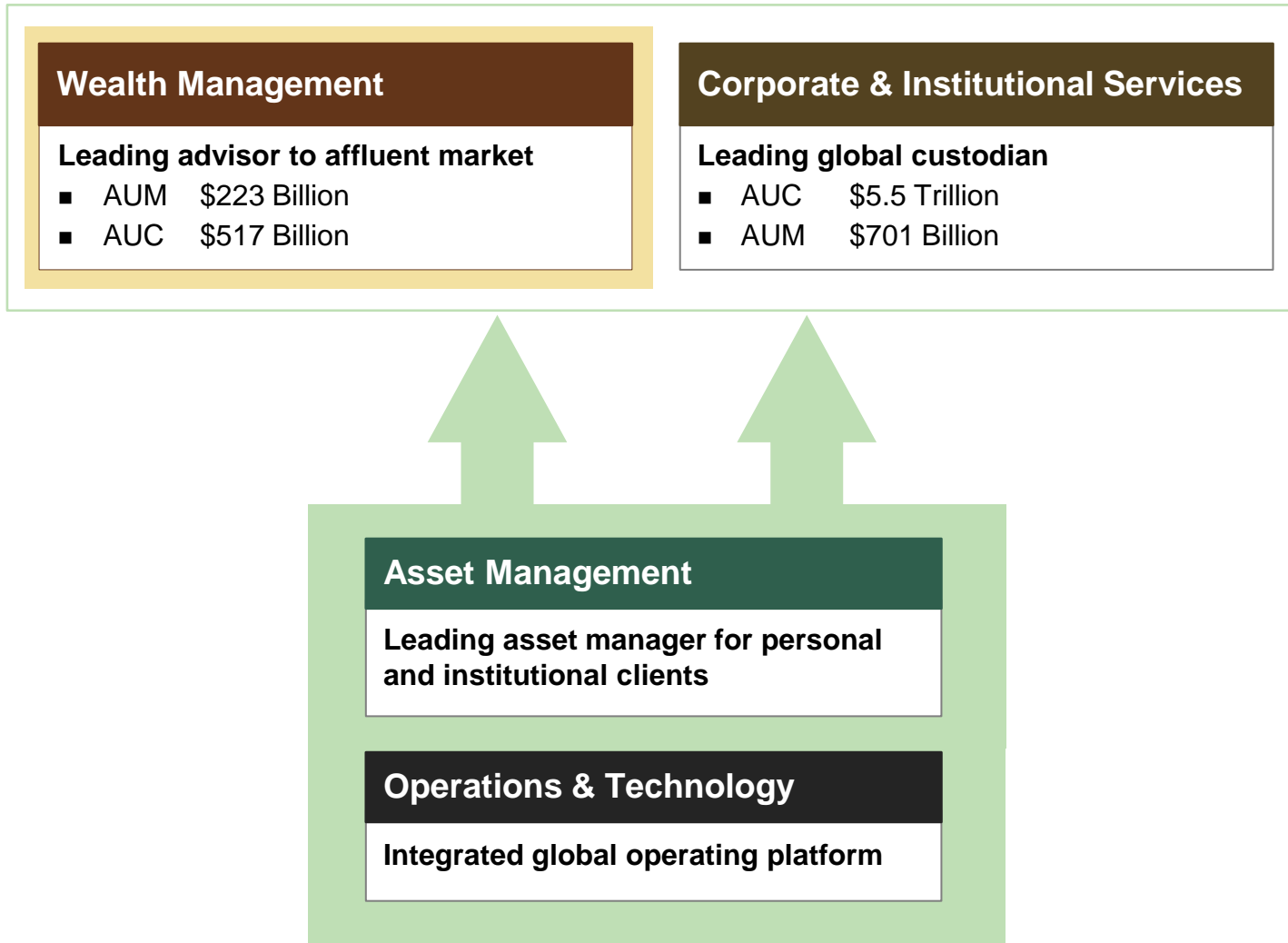


As of June 30, 2014





# Organized to Serve the Complex Needs of a Targeted Client Base





# Wealth Management is an Attractive Business

Favorable industry trends align well with Northern Trust's Wealth Management business model.

## Growth trends

- Wealth is expected to continue growing in the United States and globally
- Up-market wealth segments exhibiting faster growth
- Share of wealth moving to "advice" channels continues to grow

## Business model

- Attractive financial returns versus many other sectors in financial services
- Recurring fee revenue, offering more sustainable economics
- Fee-based models winning over commission-oriented models

## Opportunity to differentiate

- Wealth clients cite relationship and client experience as critical drivers of provider selection
- Brand and differentiated advice matter

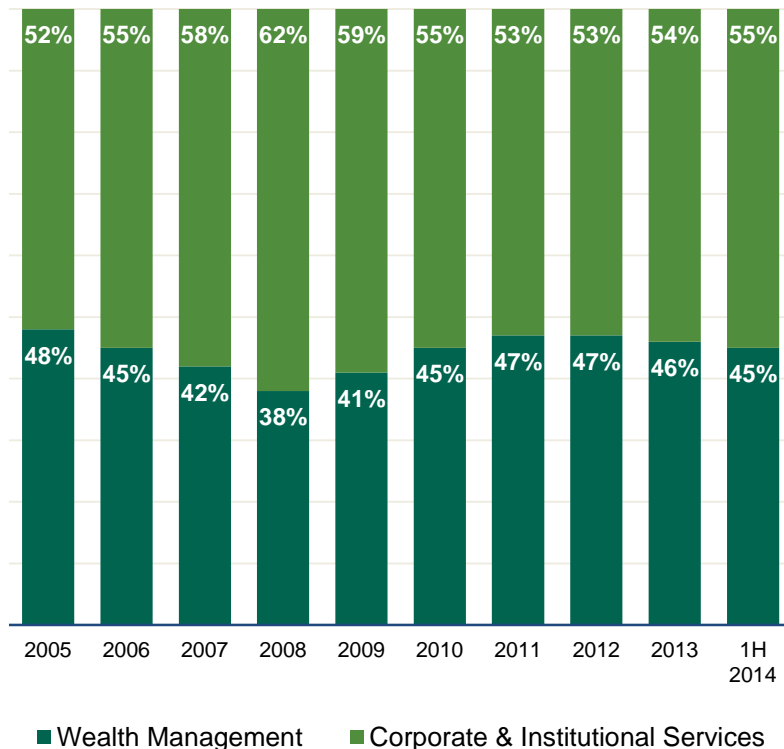




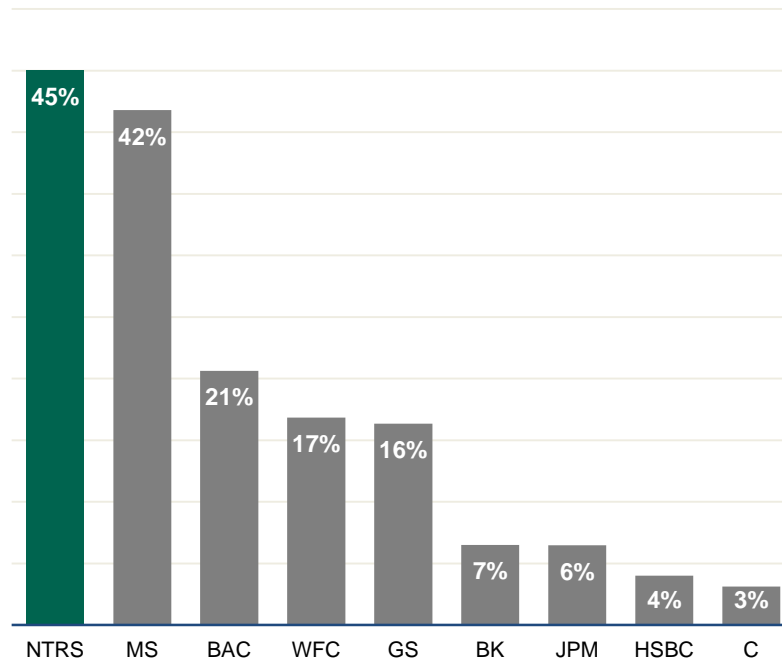
# Unmatched Focus on the Affluent Market

Wealth Management is our heritage and represents half of our balanced business model.

Revenue as a % of Total Corporation



Wealth Management Revenue as a % of Total Corporation Revenue



Northern Trust calculation excludes "Treasury & Other" segment results  
Peer comparison is based on 1H 2014 Data (annualized where appropriate)  
Source: Company Second Quarter 2014 Earnings Releases, NT analysis



# Offering a Full Array of Financial Solutions

Providing holistic wealth management solutions to individuals, families and privately held businesses.



**BARRON'S**

**Barron's**  
Ranked among the  
Top 10 Wealth Managers (2013)

**EUROMONEY**

**Euromoney**  
#1 Best Firm for  
Family Office & Philanthropy  
Services (2014)

**FINANCIAL TIMES**

**Financial Times**  
Best Private Bank in  
North America for 5 consecutive  
years (2009-2013)

**Forbes**

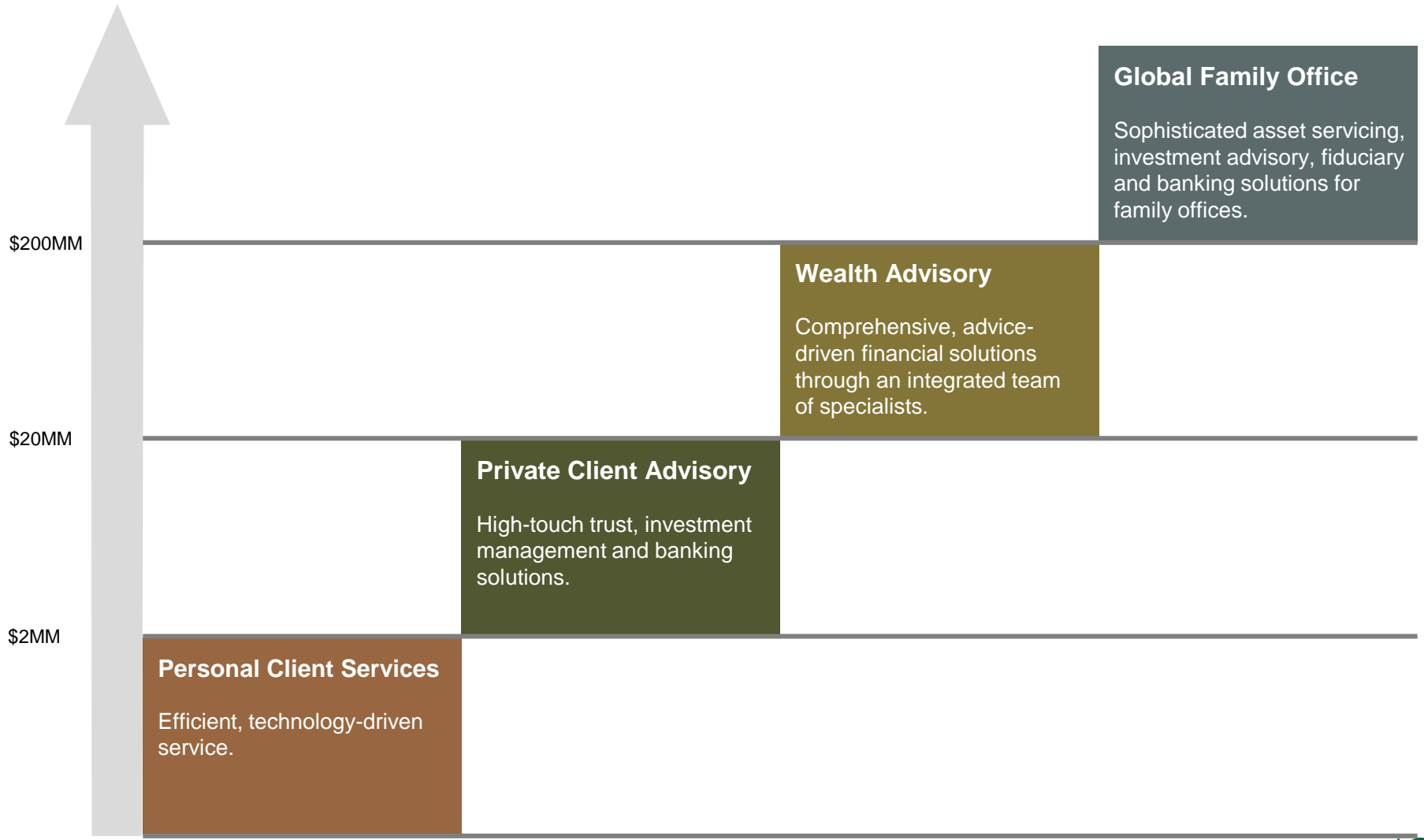
**Forbes**  
Serving More than  
20% of Forbes 400  
Most Affluent Americans (2013)





# Organized to Serve Clients' Unique Needs

## Investable Assets





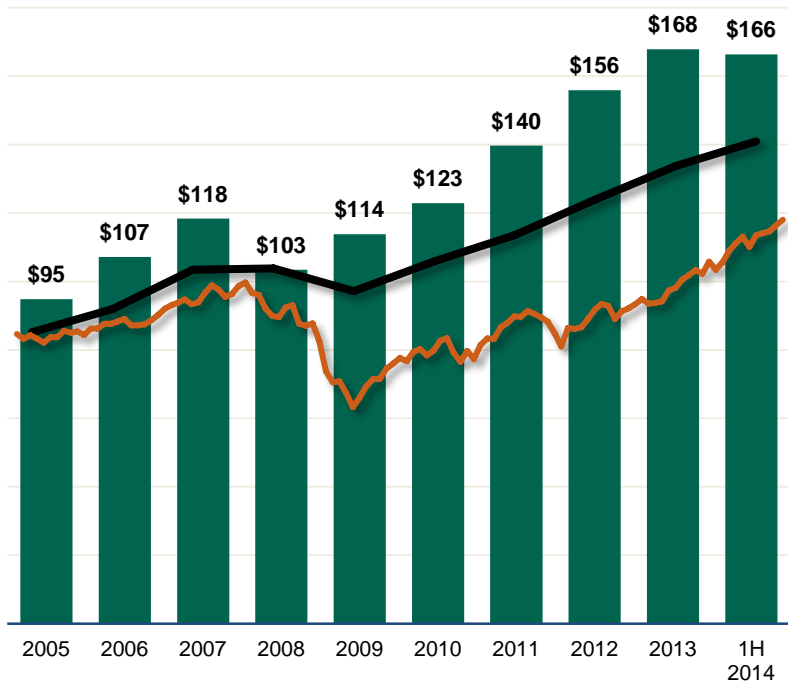


# A History of Growth in Client Assets and Fees

## Wealth Management Regions

88% of Wealth Management Fees

Assets Under Management (\$ Billions)

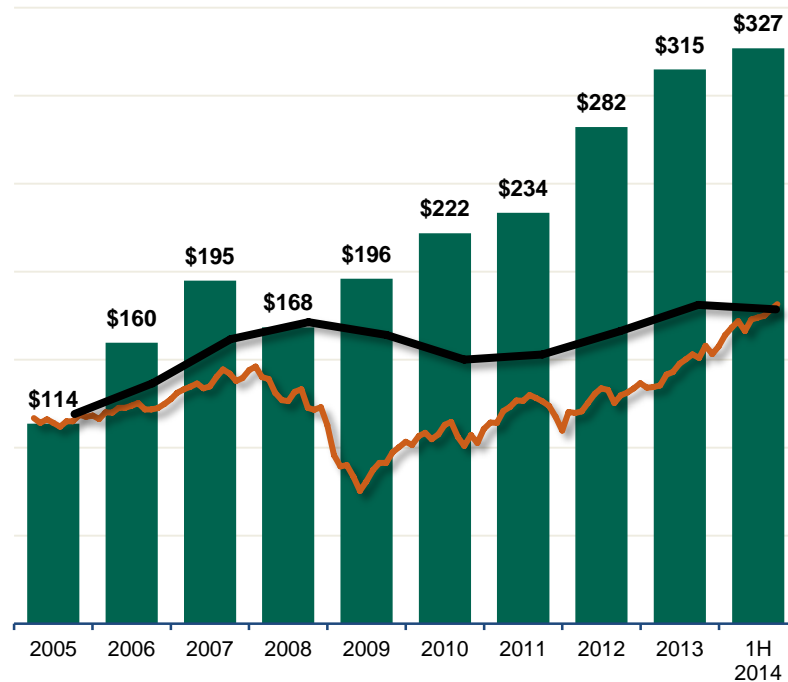


— Trust & Investment Fees<sup>(1)</sup>  
 — S&P 500

## Global Family Office

12% of Wealth Management Fees

Assets Under Custody (\$ Billions)



— Trust & Investment Fees<sup>(1)</sup>  
 — S&P 500

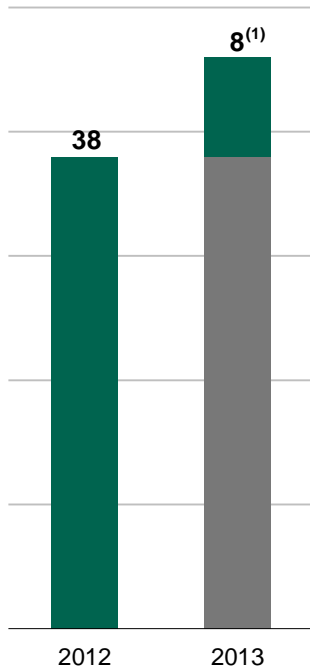
(1) 1H 2014 fees are annualized



# Key Initiatives Driving Improved Efficiency & Profitability

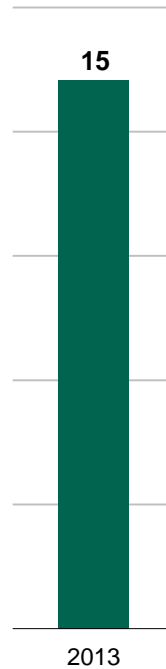
### Fee Initiatives

\$MM of Incremental Fees



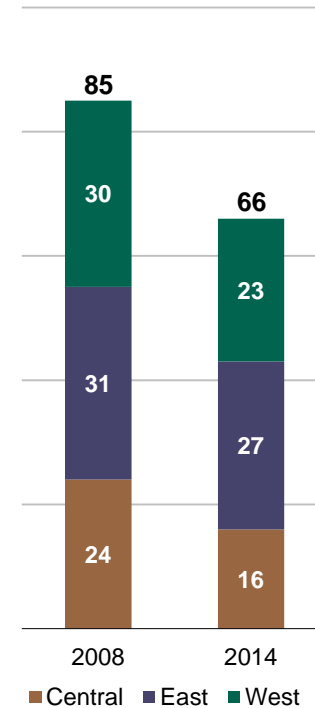
### Organizational Structure

\$MM of Expense Savings



### Office Network Optimization

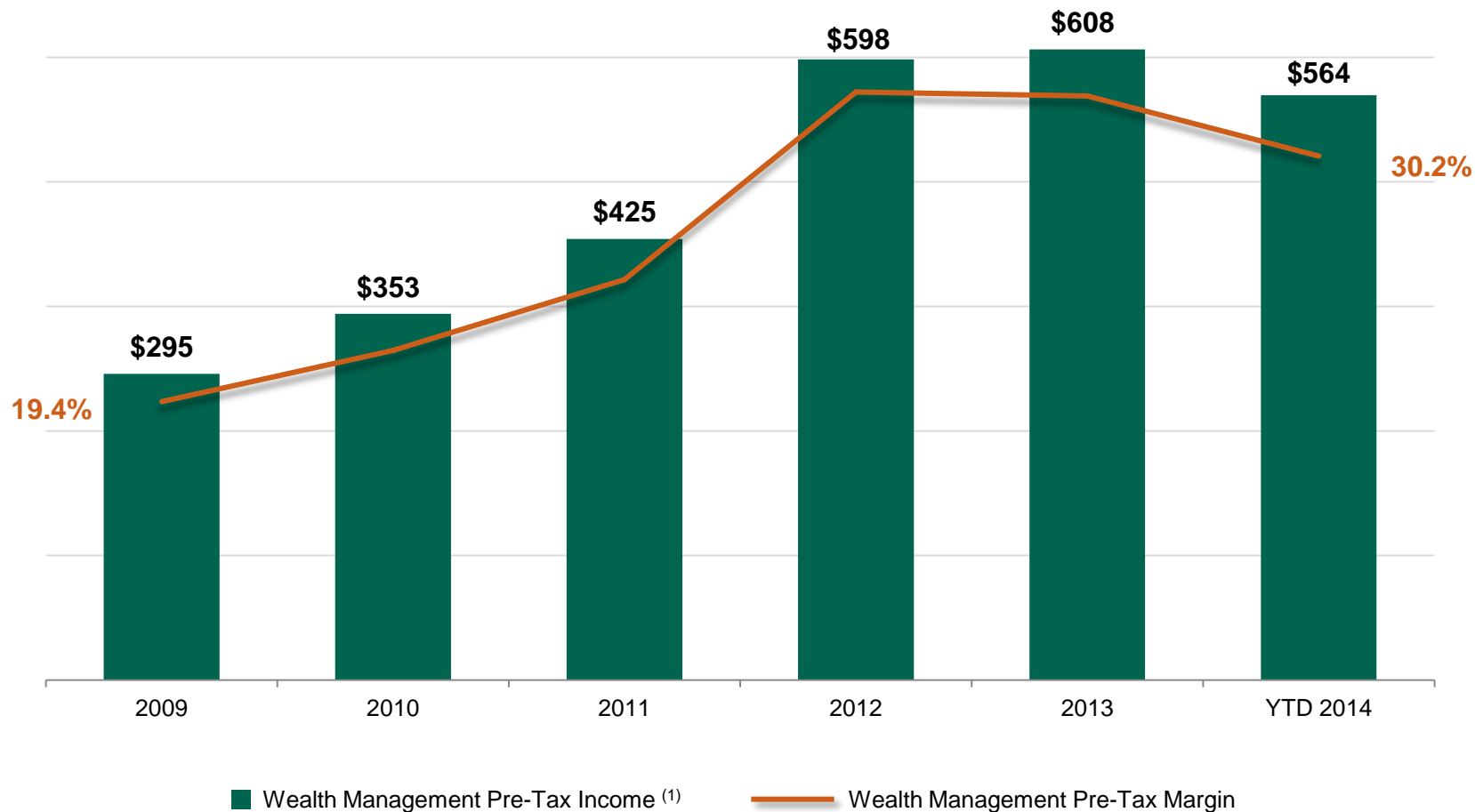
Number of U.S. Offices



(1) Annualized



# Profitability Has Rebounded from Crisis Lows



(1) YTD 2014 pre-tax income is annualized.



# Investing for the Future

## Key Trends

Continued growth domestically and internationally with up-market segments growing faster

## Key Investments



Demographic changes and evolving client needs

Digitization of wealth management



Marketing in a multi-channel world





# Northern Trust Corporation

## Consistently Strong and Focused

- Market Leader in Focused Businesses
- Strong Wealth Management Positioning
- A History of Organic Growth
- Improving Profitability & Returns
- Investing for the Future

