

PRINCIPLES THAT ENDURE

Service

Expertise

Integrity

Northern Trust Corporation

Michael G. O'Grady

Executive Vice President &
Chief Financial Officer

Credit Suisse Financial Services Forum
February 13, 2013



Northern Trust



Forward Looking Statement

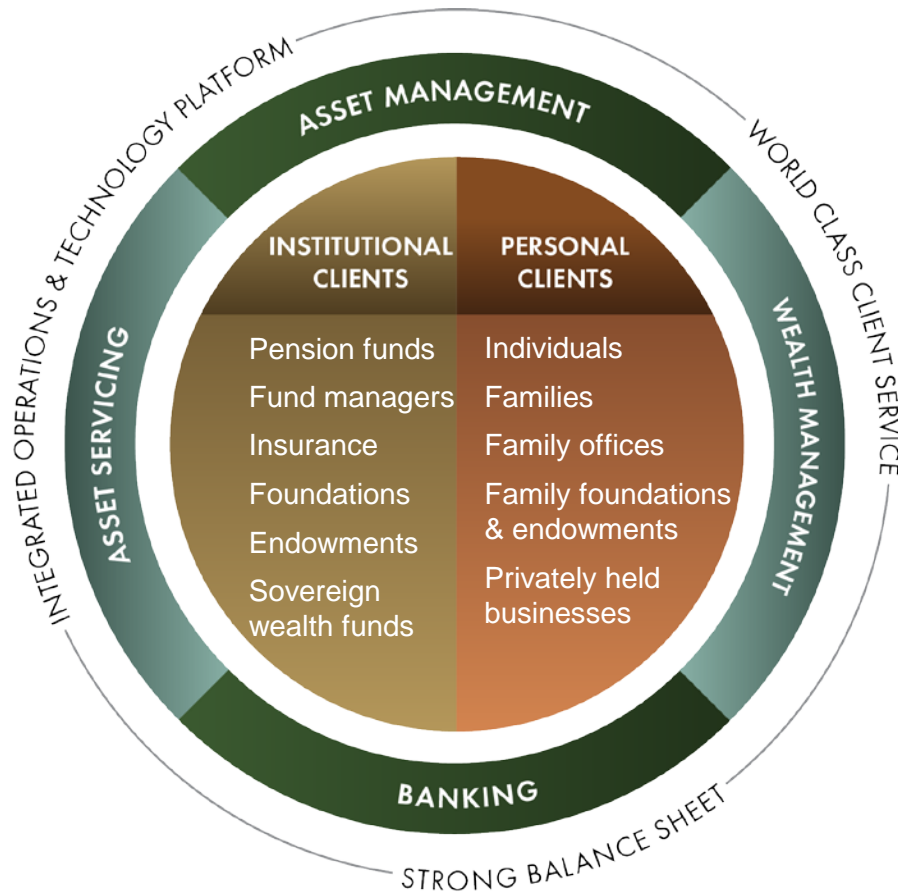
This presentation may include forward-looking statements such as statements that relate to Northern Trust's financial goals, capital adequacy, dividend policy, expansion and business development plans, risk management policies, anticipated expense levels and projected profit improvements, business prospects 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 2011 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.

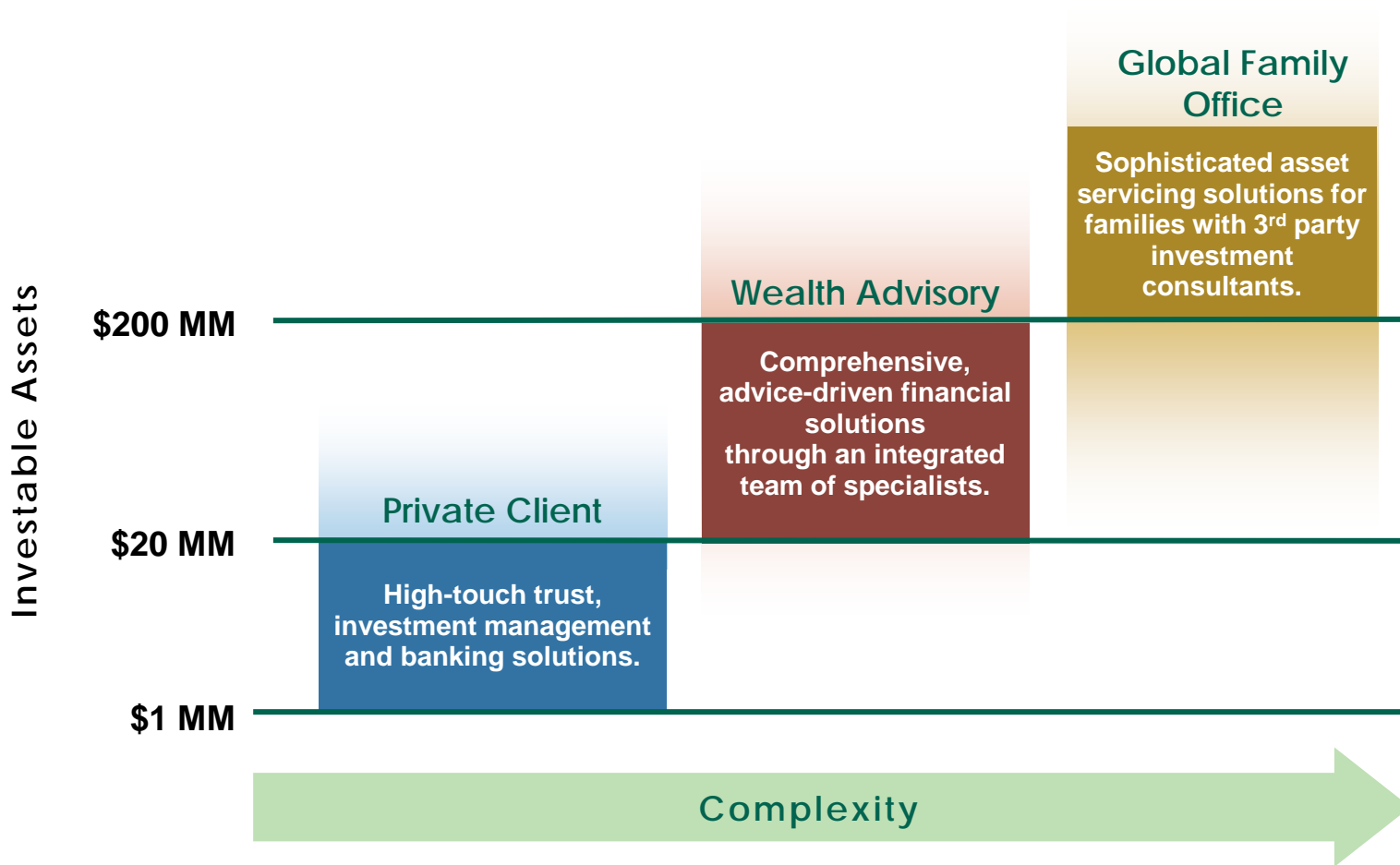


- **Market Leader in Focused Businesses**
- **Strong History of Organic Growth**
- **Focused on Driving Performance**
- **Distinctive Financial Strength**



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

- Cash flow analysis
- Debt management
- Tax planning
- Retirement planning

Investment Management

- Custom asset allocation
- Comprehensive investment capabilities
- Broad menu of outside managers
- Brokerage services

Private and Business Banking

- Deposit services
- Custom financing
- Stock option lending

Trust & Estate Services

- Wealth transfer planning
- Trust and estate services
- Philanthropic advisory services
- Securities custody

Advisory Services

- Family education and governance
- Family business
- Non-financial asset management

Foundation and Institutional Advisors

- Customized investment objectives and strategic asset allocation
- Manager selection and oversight
- Asset servicing and administration



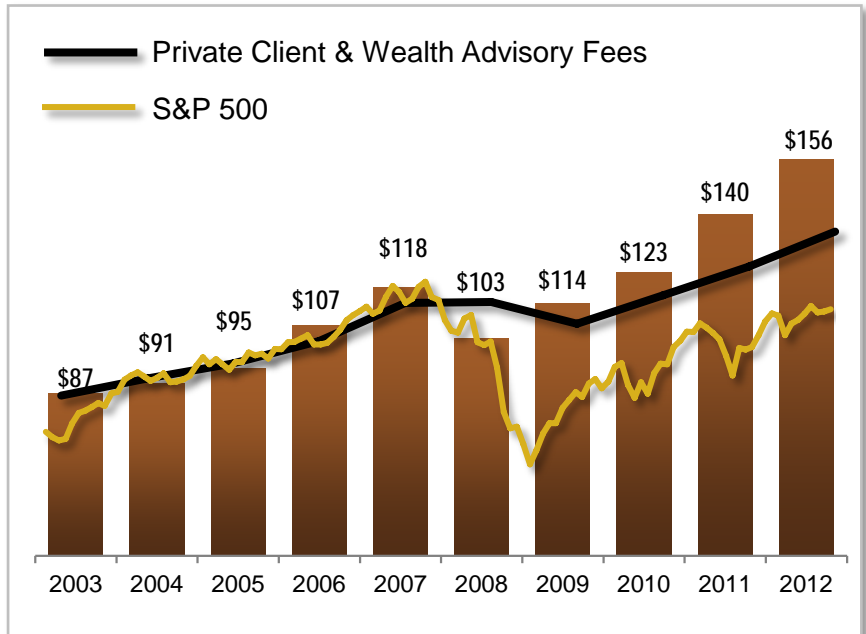


Personal Clients

Strong Growth Across Segments

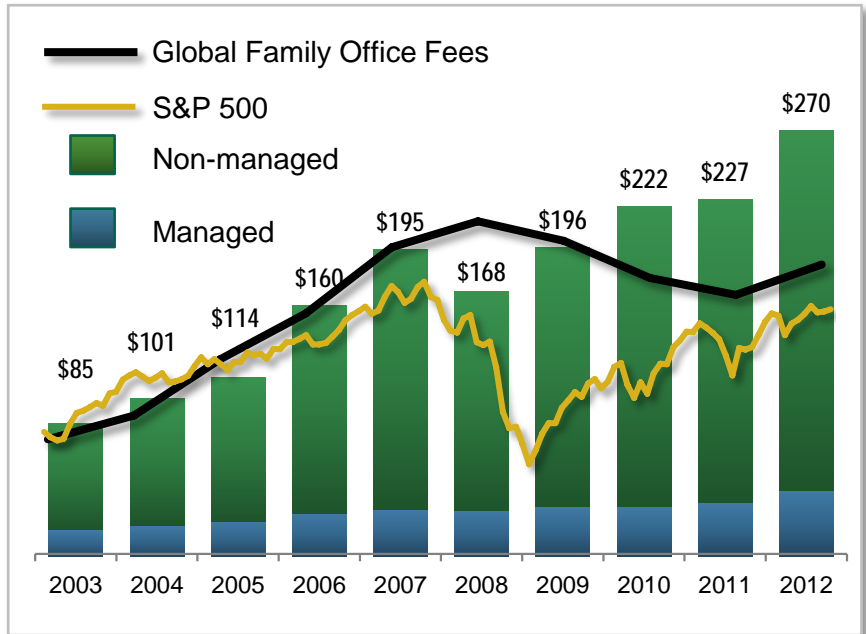
Private Client & Wealth Advisory

Assets Under Management (\$ Billions)



Global Family Office

Assets Under Custody (\$ Billions)





Institutional Clients Serving Select Institutional Segments

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

Segments

Institutional Investor Group (IIG)

- Pension plans
- Insurance
- Sovereign wealth funds
- Foundations
- Endowments

Global Fund Services (GFS)

- Traditional funds
- Hedge funds
- Fund of funds
- Exchange Traded Funds

Regions

North America

Europe, Middle East & Africa

Asia Pacific





A Broad Range of Solutions

Offering an array of asset servicing and asset management services.

Asset Processing

- Custody
- Safekeeping
- Settlement
- Derivatives and collateral processing
- Income collection
- Corporate actions
- Tax reclamation

Asset Administration

- Fund accounting
- Transfer agency
- Corporate secretarial/trustee
- Valuations
- Investment operations outsourcing

Asset Reporting

- White label reporting
- Valuation analytics
- Performance analytics
- Risk monitoring and reporting
- Trade execution analysis

Asset Enhancement

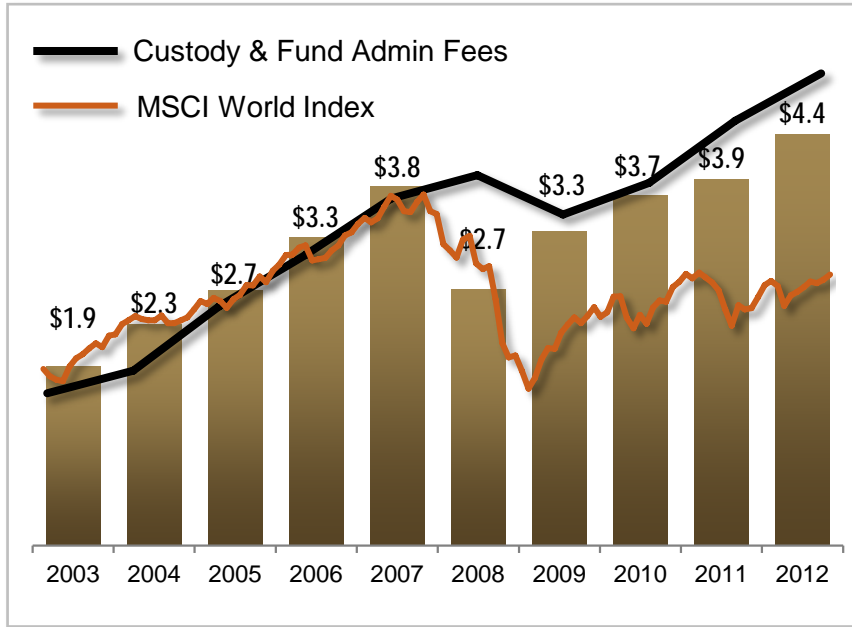
- Cross-border pooling
- Trade execution
- Cash management
- Securities lending
- Foreign exchange

Investment Management

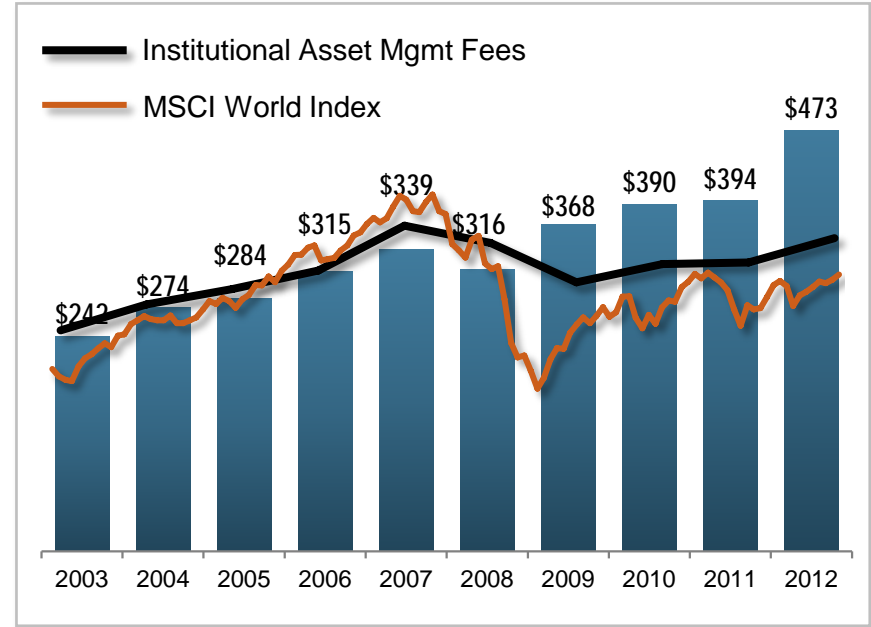
- Short duration
- Global index
- Active
- Investment outsourcing
- Liability driven investing
- Multi-manager
- Transition management



Corporate & Institutional Services Assets Under Custody (\$ Trillions)



Corporate & Institutional Services Assets Under Management¹ (\$ Billions)



¹ Excludes Securities Lending collateral



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

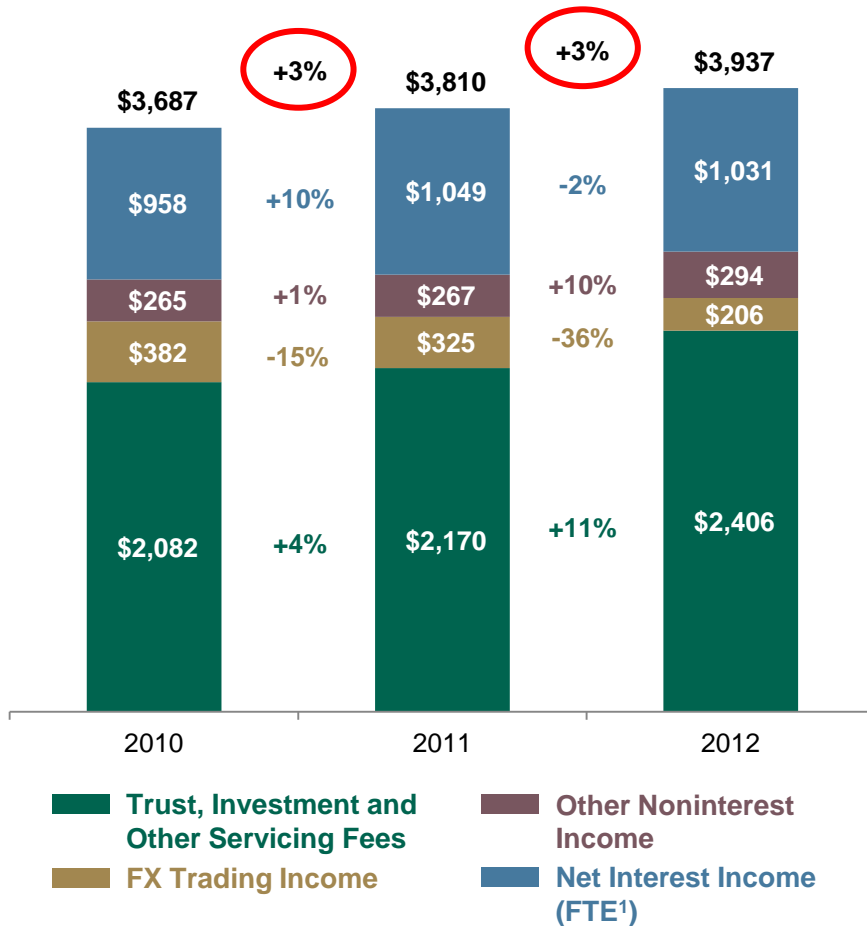




Revenue Trends and Drivers

\$ in millions

Total Revenue (FTE¹)



Trust Fees

- New business
- Market values
- Activity levels

FX Trading Income

- Currency volatility
- Volume

Net Interest Income

- Client deposit levels
- Earning asset mix
- Interest rates

¹ Net interest income and total revenue stated on an FTE basis are non-GAAP financial measures. A reconciliation of these measures to reported results prepared in accordance with U.S. GAAP is included in the Appendix on page 17.

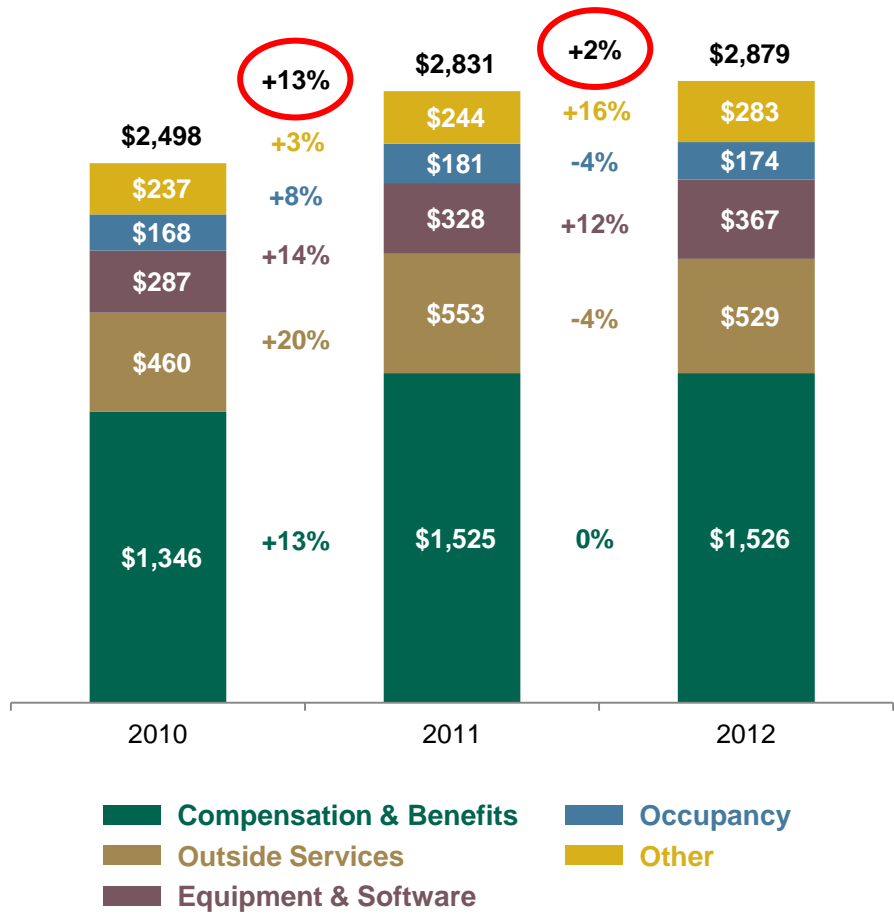




Expense Trends and Drivers

\$ in millions

Total Noninterest Expense



Compensation & Benefits

- New business
- Productivity
- Global operating model

Outside Services

- New business
- Market levels
- Regulatory environment

Equipment & Software

- New business
- Ongoing investment

Other

- Includes business promotion, staff-related costs, and account servicing charges



Primary Financial Levers

Focused on driving growth and higher returns.

Grow trust fees through new business

Maximize other revenue in context of macroeconomic environment

Improve productivity by managing expenses relative to trust fees

Utilize capital efficiently

Return on Equity





Strategically Positioned for Growth



PRINCIPLES THAT ENDURE

Service

Expertise

Integrity

Appendix





Reconciliation of Non-GAAP Financial Measures

The following table presents a reconciliation of interest income and net interest income prepared in accordance with GAAP to interest income and net interest income on a fully taxable equivalent (FTE) basis, a non-GAAP financial measure. Management believes this presentation provides a clearer indication of net interest margins for comparative purposes.

Twelve Months Ended

(\$ In Millions)	December 31, 2012			December 31, 2011			December 31, 2010		
	Reported	FTE Adj.	FTE	Reported	FTE Adj.	FTE	Reported	FTE Adj.	FTE
Interest Income	\$1,287.7	\$40.8	\$1,328.5	\$1,408.6	\$40.2	\$1,448.8	\$1,296.7	\$39.1	\$1,335.8
Interest Expense	297.4	–	297.4	399.5	–	399.5	378.0	–	378.0
Net Interest Income	\$ 990.3	\$40.8	\$1,031.1	\$1,009.1	\$40.2	\$1,049.3	\$ 918.7	\$39.1	\$ 957.8
Net Interest Margin	1.18%		1.22%	1.22%		1.27%	1.35%		1.41%
Total Revenue	\$3,896.1	\$40.8	\$3,936.9	\$3,769.9	\$40.2	\$3,810.1	\$3,647.7	\$39.1	\$3,686.8

