



Northern Trust Corporation

Goldman Sachs Financial Services Conference

The Conrad Hotel, New York
December 4, 2012

Frederick H. Waddell

Chairman & Chief Executive Officer



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 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 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.

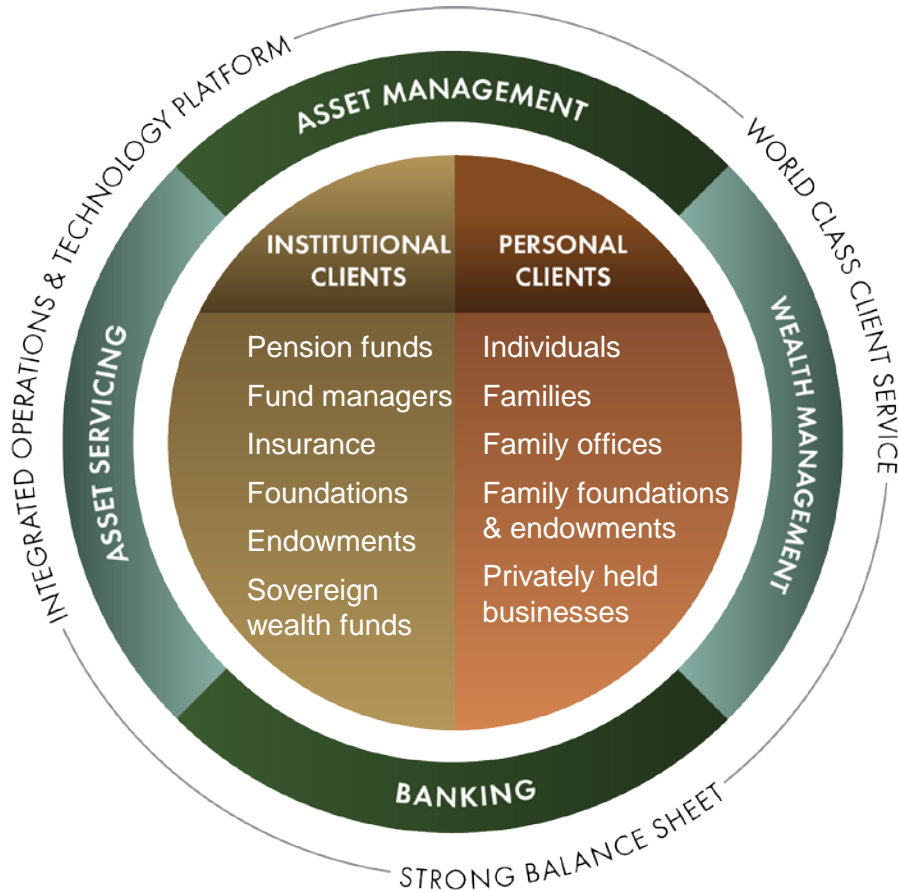
Our 2011 annual report and periodic reports to the SEC contain information about specific factors that could cause actual results to differ, and you are urged to read them. Northern Trust disclaims any continuing accuracy of the information provided in this presentation after today.





A Highly Focused Business Model

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



Personal Financial Services

Leading advisor to affluent market

- AUM \$184 Billion
- AUC \$429 Billion

Corporate & Institutional Services

Leading global custodian

- AUC \$4.3 Trillion
- AUM \$566 Billion

Northern Trust Global Investments

Leading asset manager for personal & institutional clients

- AUM \$750 Billion

Operations & Technology

Integrated global operating platform

- Serving personal and institutional clients
- \$1.6 Billion in technology spending 2009-2011

As of September 30, 2012



Comprehensive Approach to Serving the Affluent Market

Financial Planning

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

Investment Management

- Comprehensive investment capabilities
- Custom asset allocation
- 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

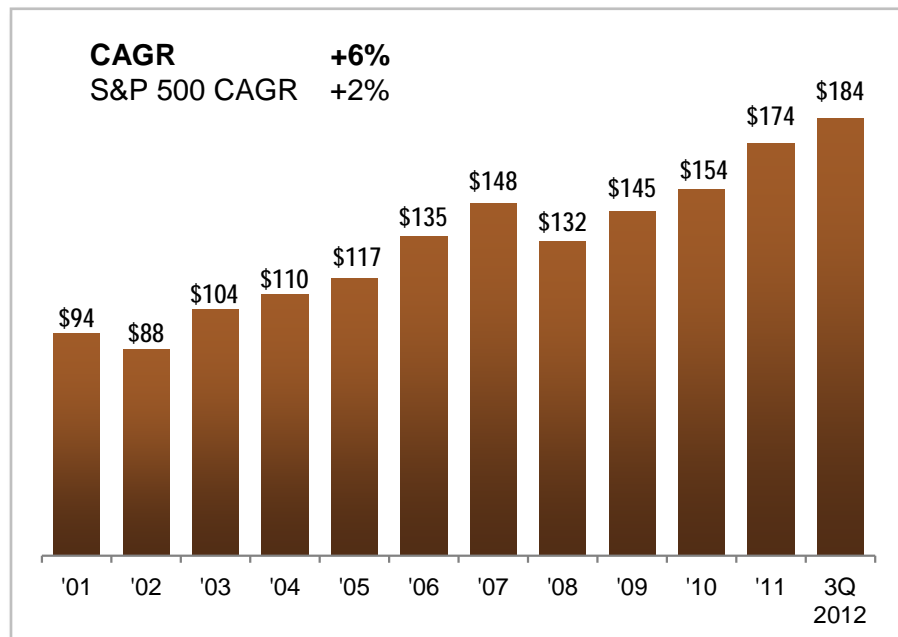
Advisory Services

- 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

PFS Assets Under Management (\$ Billions)





Delivering a Broad Range of Solutions

Asset Processing

- 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

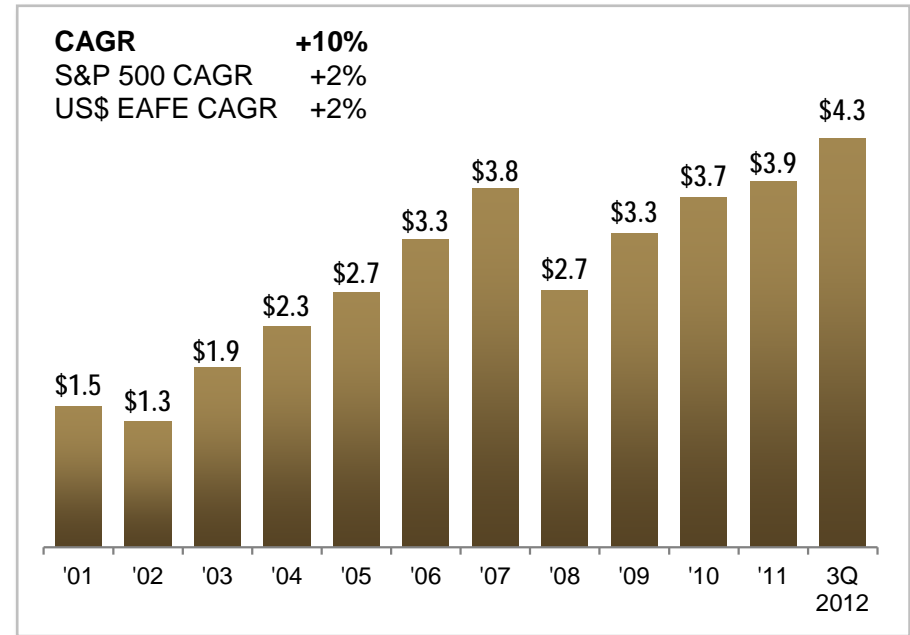
Asset Enhancement

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

Investment Management

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

C&IS Assets Under Custody (\$ Trillions)

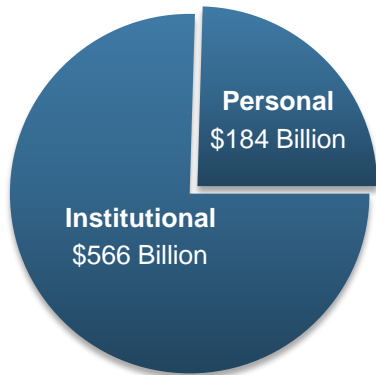




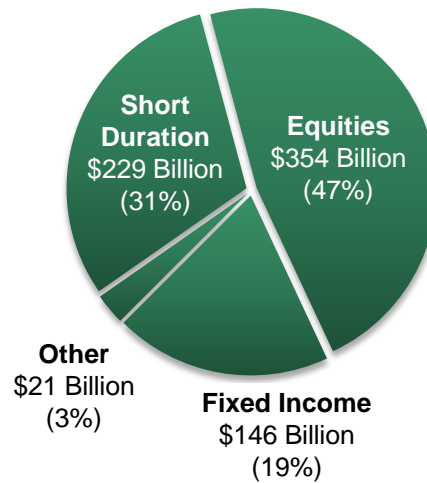
Client Focused, Diversified Investment Manager

Providing diversified asset management solutions, with total assets under management of \$750 billion across...

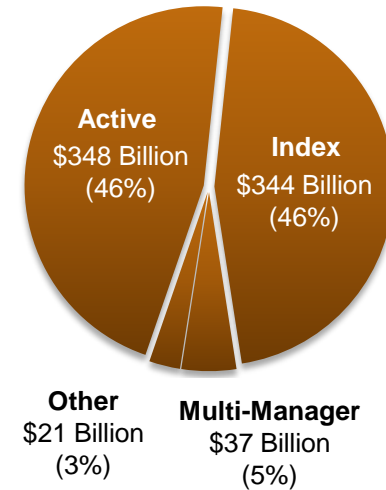
Client Segments



Asset Classes



Styles



Delivered through Various Structures

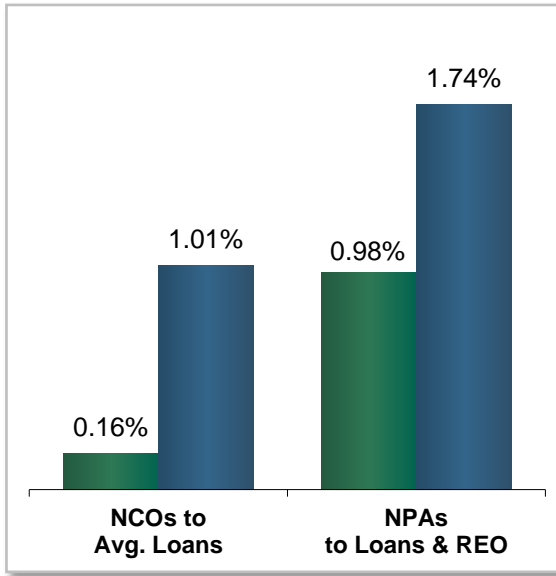




Consistently Strong and Conservative

Diversified, High Quality Loan Portfolio

- Relationship-based lending
- Diversified by loan type, including residential real estate (35%), commercial & institutional (25%), commercial real estate (10%)
- Consistent and conservative underwriting standards



High Quality, Short Duration Securities Portfolio

- 91% of Northern Trust's total securities portfolio composed of U.S. Treasury, government sponsored agency and triple-A rated securities
- 93% of Asset-Backed Securities rated triple-A
- The securities portfolio is in a net unrealized gain position
- Average maturity duration of ~2 years and a re-pricing duration of ~1 year

Consistently Outstanding Capital Strength

Northern Trust Corporation

Tier 1 Capital Ratio	12.8%
Total Risk-Based Ratio	14.3%
Leverage Ratio	8.1%
Tier 1 Common Equity	12.3%

Capital Return

- Increased our quarterly dividend to \$0.30 per share in 2012
- Repurchased \$100 million of common stock YTD in 2012
- We are able to repurchase \$140 million more through March 2013 under our current capital plan

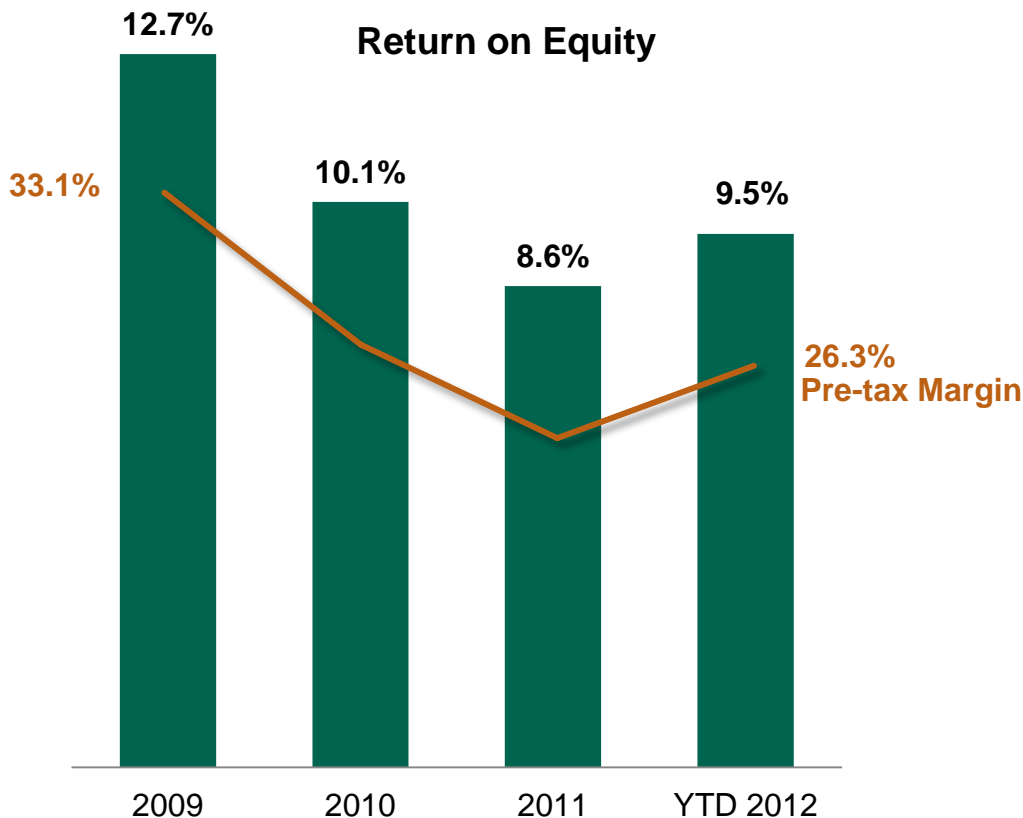
As of September 30, 2012

Peer group includes U.S. based banks with assets of more than \$50 billion as of December 31, 2011, a group of 18 institutions excluding Northern Trust





Impact of the Environment on Profitability and Returns



- Revenue pressures have led to declining margins and returns
- Efforts are underway to improve profitability in 2012 and beyond – a program we call “Driving Performance”

As of September 30, 2012



Improving Profitability and Returns

More than \$100MM in pre-tax income improvement has been achieved year-to-date. We are on track to achieve our 2012 and 2013 targets.

		<u>Percent of 2013 Impact</u>
Revenue Enhancements	<ul style="list-style-type: none"> ■ Fully align value proposition ■ Unbundle pricing structures ■ Expand share of relationship 	30 – 35%
Process Optimization	<ul style="list-style-type: none"> ■ Streamline major business processes ■ Optimize operational footprint ■ Apply best-in-class procurement practices ■ Refine service delivery model 	30 – 40%
Technology Efficiency	<ul style="list-style-type: none"> ■ Migrate IT resourcing mix ■ Rationalize overlapping applications ■ Manage internal end-user demand 	5 – 10%
Corporate-wide Initiatives	<ul style="list-style-type: none"> ■ Simplify organizational structure ■ Align retirement plans with market ■ Rationalize real estate ■ Consolidate banking charters 	20 – 25%
		\$250 million





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