

PRINCIPLES THAT ENDURE

Service

Expertise

Integrity

Northern Trust Corporation

Frederick H. Waddell

Chairman & Chief Executive Officer

William Blair Growth Stock Conference

The Four Seasons Hotel
Chicago
June 13, 2012



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.

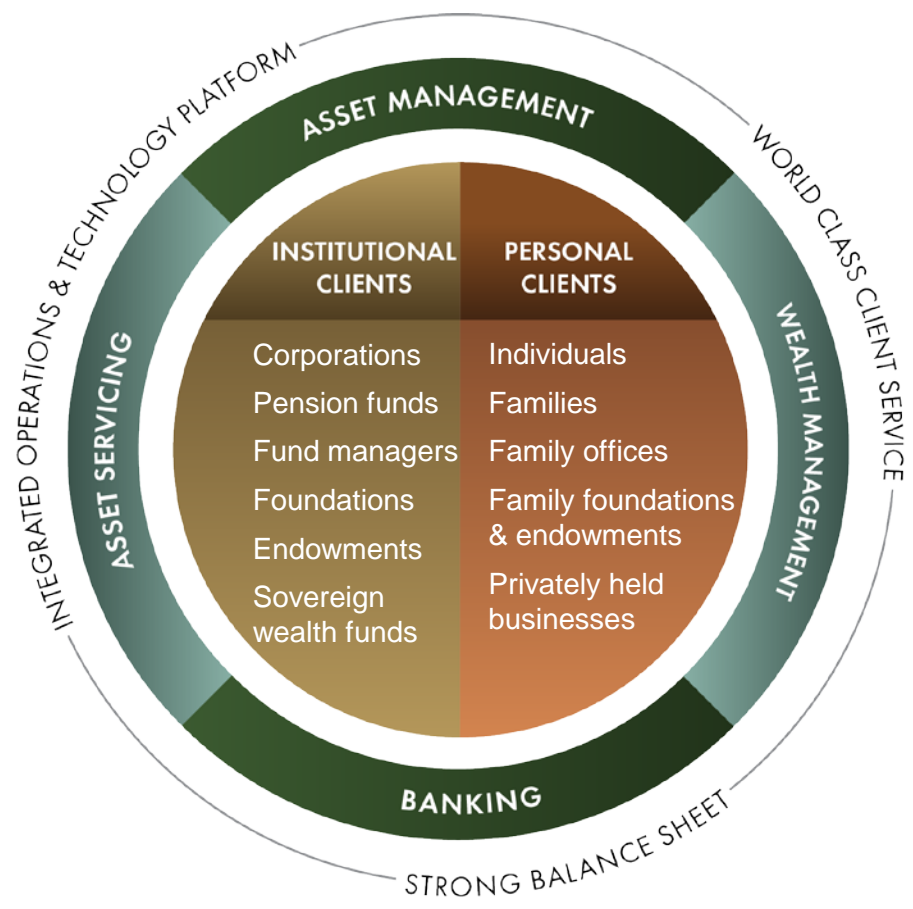
Our 2011 annual report and periodic reports to the SEC contain information about specific factors that could cause actual results to differ, and you are urged to read them. Northern Trust disclaims any continuing accuracy of the information provided in this presentation after today.





A Highly Focused Business Model

Founded in 1889, Northern Trust Corporation 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 \$179 Billion
- AUC \$407 Billion

Corporate & Institutional Services

Leading global custodian

- AUC \$4.2 Trillion
- AUM \$537 Billion

Northern Trust Global Investments

Leading asset manager for personal & institutional clients

- AUM \$716 Billion

Operations & Technology

Integrated global operating platform

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



Life-driven Approach to Serving the Affluent Market

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

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



Best Private Bank in North America
– *Financial Times Group*
(October 2011, 3rd consecutive year)



Ranked among the Top 10 Wealth Managers
– *Barron's* (September 2011)



Serving More than 20% of Forbes 400 Most Affluent Americans
– *Forbes* (September 2011)



Corporate & Institutional Services

Delivering a Broad Range of Solutions

Providing an array of asset servicing and asset management services to clients around the world.

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



Best Administrator for UCITS Funds
 – HFM Week, European Hedge Fund Awards
 (May 2011 and March 2012)



Best European ETF Administrator
 – ETF Express Global Awards (2012)



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



European Administrator of the Year
 – Funds Europe Awards (December 2011)



Client Relationship Manager of the Year
 – ICFA Americas Awards (May 2010, 2011)



Best Outsourcing Services Company
 – The Compliance Register Platinum Awards (November 2011)



Global Investor Services House
 – Euromoney (Sept. 2011 and July 2010)

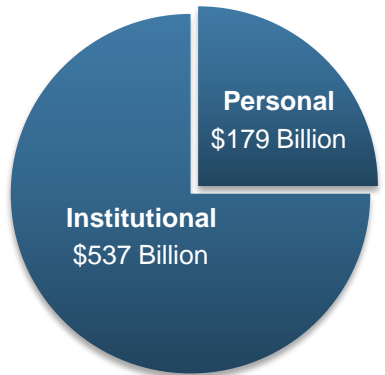




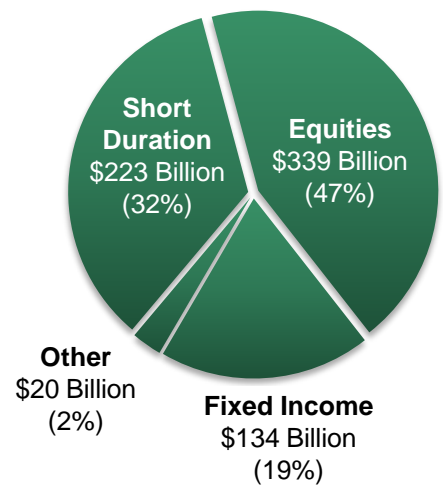
Client Focused, Diversified Investment Manager

Providing diversified asset management solutions, with total assets under management of \$716 billion across...

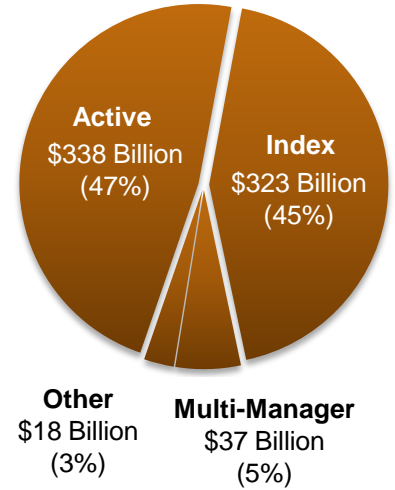
Client Segments



Asset Classes



Styles



Manager of the Year – Equity Indexers (U.S.)
Institutional Investor (April 2011)



- 14th Largest Manager of Worldwide Institutional Assets**
- 15th Largest Asset Manager Worldwide**
- 4th Largest Manager of U.S. Institutional Tax-exempt Assets**
- 4th Largest Manager of Family Office Assets**
Pensions & Investments
(May 2012 based on December 31, 2011 assets)

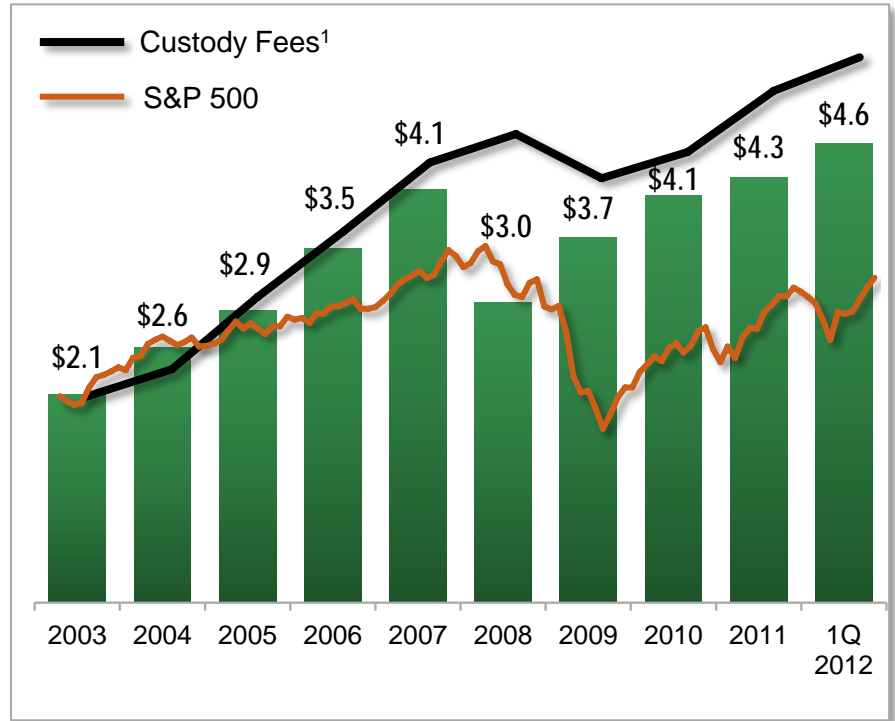
As of March 31, 2012



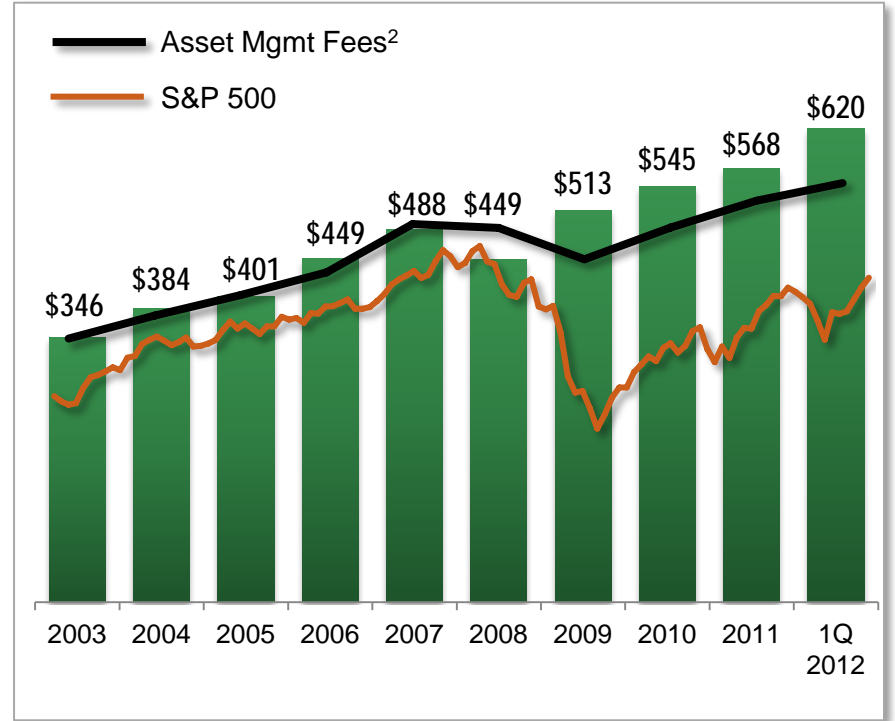
Strong History of Growth in Fee-based Businesses

Fee revenues average 73% 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. 2012 fees are annualized.

² Asset management fees include C&IS investment management fees and fees of the four PFS regions. 2012 fees are annualized.

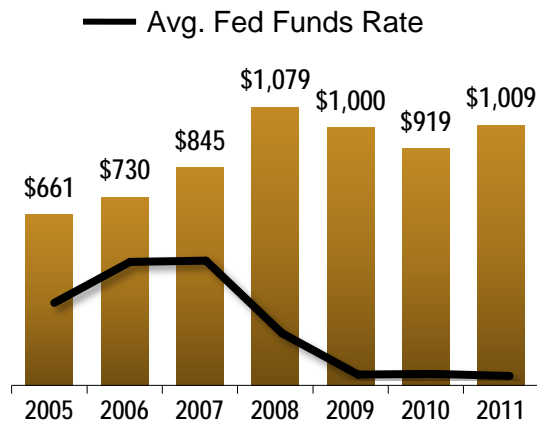


Revenue Headwinds Due to Macroeconomic Environment

Historically Low Interest Rates

- Extremely low short-term interest rates have pressured net interest margin
- Waived fees in money market mutual funds equaled \$102 million in 2011

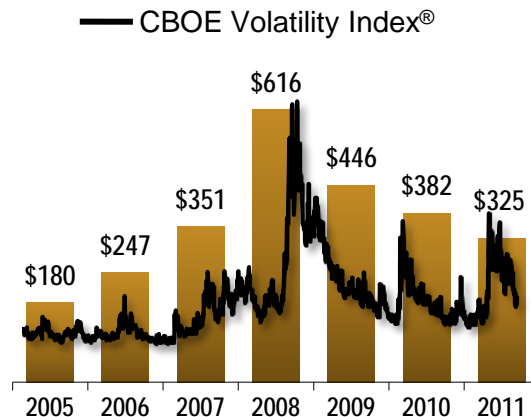
Net Interest Income \$MM



Lower Foreign Exchange Volatility

- Currency volatility has declined from the heightened levels seen in 2007 – 2009, resulting in lower foreign exchange trading income

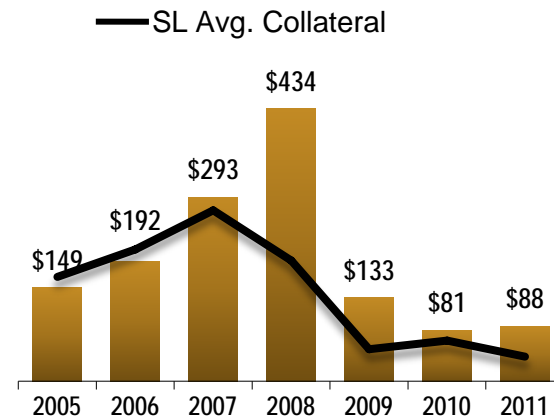
FX Trading Income \$MM



Lower Securities Lending Volumes

- Securities lending collateral of \$95 billion is much lower than peak of nearly \$300 billion in 2007
- Lower volumes primarily reflect lower demand

Securities Lending Fees* \$MM

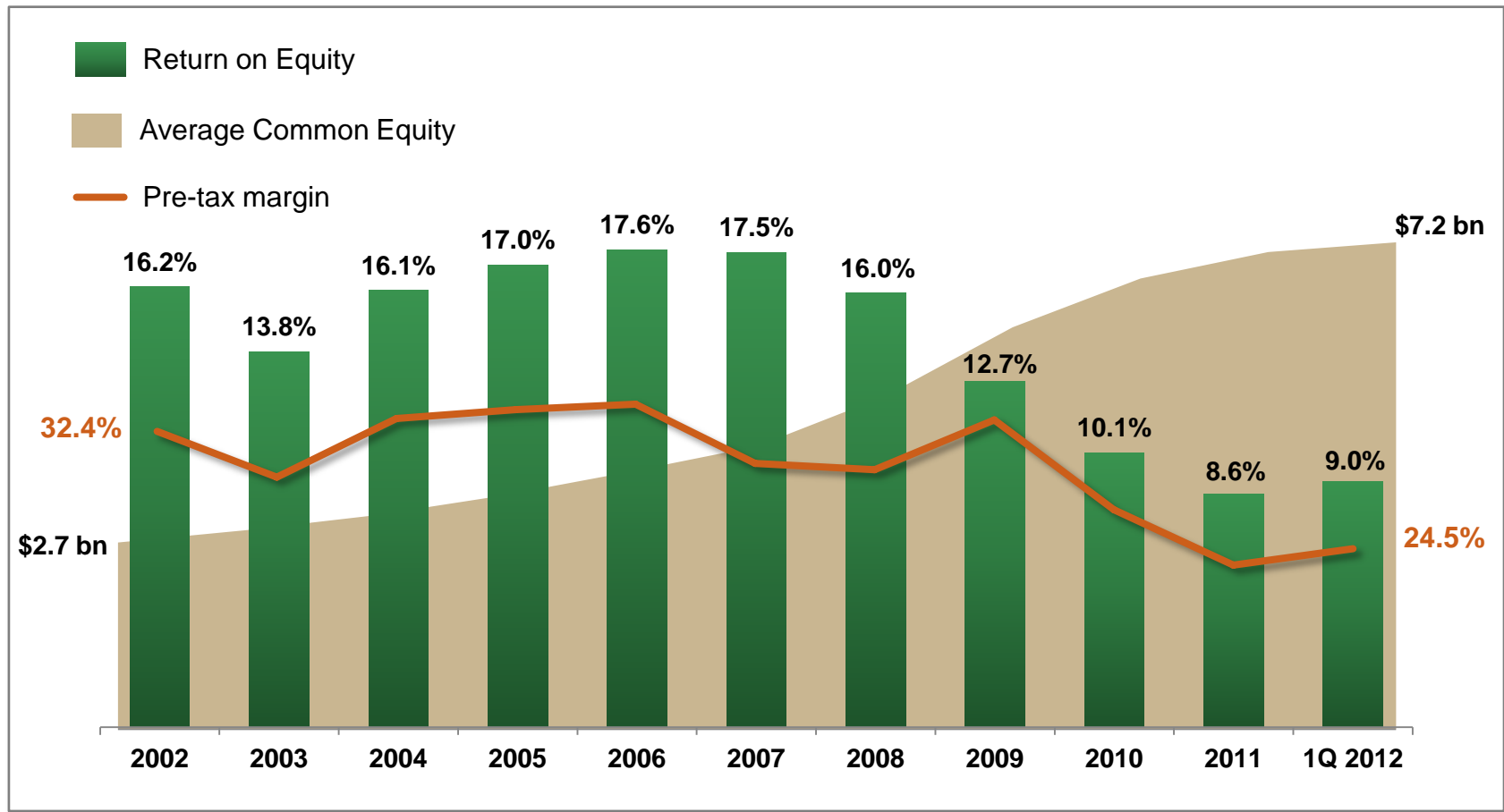


*Excludes impact of mark-to-market fund



Impact of the Environment on Profitability and Returns

Recent revenue pressures have led to declining margins and returns.





Improving Profitability and Returns

Percent of 2013 Impact

Revenue Enhancements

- Fully align value proposition
- Unbundle pricing structures
- Expand share of relationship

30 – 35%

Process Optimization

- Streamline major business processes
- Optimize operational footprint
- Apply best-in-class procurement practices
- Refine service delivery model

30 – 40%

Technology Efficiency

- Migrate IT resourcing mix
- Rationalize overlapping applications
- Manage internal end-user demand

5 – 10%

Corporate-wide Initiatives

- Simplify organizational structure
- Align retirement plans with market
- Rationalize real estate
- Consolidate banking charters

20 – 25%

\$250 million

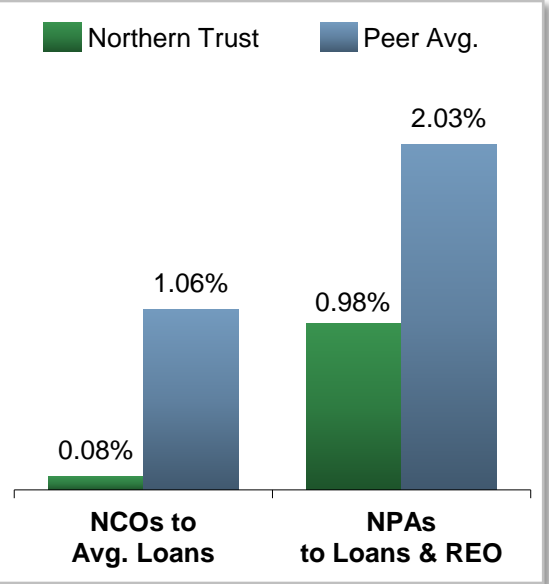
On track to achieve 2012 targets



Consistently Strong and Conservative

Loan Portfolio \$29 billion

- Relationship-based lending
- Diversified by loan type, including residential real estate (36%), commercial & institutional (24%), commercial real estate (10%)
- Consistent and conservative underwriting standards



Securities \$32 billion

- 85% of Northern Trust's total securities portfolio composed of U.S. Treasury, government sponsored agency and triple-A rated securities
- 87% 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 ~11 months

Deposits with Banks \$19 billion

- Placed with banks that have strong internal risk ratings and external credit ratings
- Includes exposure to banks in the Eurozone of \$3.0 billion, primarily in the Netherlands and in the Nordic region
- Average duration of less than 2 months

Data is as of March 31, 2012 and for the quarter then ended. 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.

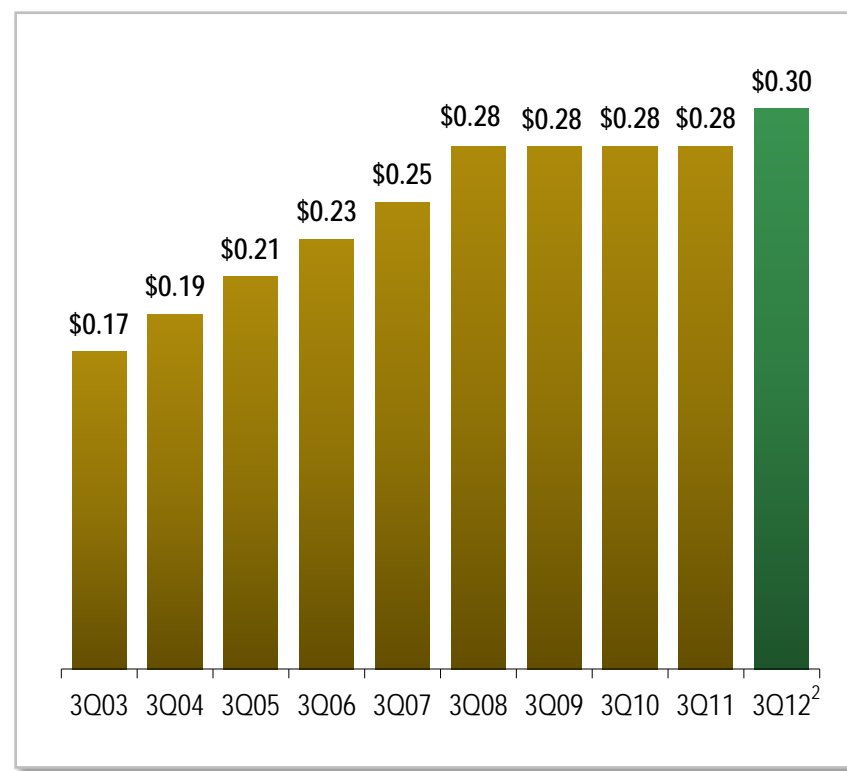


Northern Trust Corporation Capital Ratios

Tier 1 Capital Ratio	12.4%
Total Risk-Based Ratio	14.0%
Leverage Ratio	7.6%
Tier 1 Common Equity ¹	11.9%

- Announced an increase in our dividend to \$0.30 per share
- The Federal Reserve did not object to Northern Trust's capital plan, including the repurchase of up to \$240 million of common stock through March 2013

Quarterly Dividend Paid per Common Share



As of March 31, 2012.

¹ 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 15.

² Reflects the dividend declared on March 14, 2012 and payable in the third quarter of 2012.



Strategically Positioned for Growth



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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, 2011
Tier 1 Capital	\$ 7,157.4
Less: Floating Rate Capital Securities	268.6
Tier 1 Common Equity	\$ 6,888.8
Ratios	
Tier 1 Capital	12.4 %
Tier 1 Common Equity	11.9 %