

## EXHIBIT 99.1

# NORTHERN TRUST CORPORATION

Steven L. Fradkin

Executive Vice President &  
Chief Financial Officer

Service

Expertise

Integrity

**BancAnalysts Association of Boston**

**27<sup>th</sup> Annual Fall Conference**

***“Building A New American Banking Paradigm”***

November 6, 2008



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## Forward Looking Statement

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## Today's Agenda: *"Building a New American Banking Paradigm"*

### ➤ **The Changing Landscape**

- Commercial banks
- Investment banks

### ➤ **The Business Model of Northern Trust**

- Attractive demographic markets
- Focused strategy
- Significant expertise
- Organic growth
- Conservative heritage



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# The Changing Landscape



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# The Changing Landscape in U.S. Financial Services...

## ➤ Commercial Banks

- Consolidation has accelerated
- Business models are evolving

## ➤ Investment Banks

- Bear Stearns and Lehman Brothers failed
- Merrill Lynch acquired by Bank of America
- Goldman Sachs and Morgan Stanley change status to bank holding companies

**Significant Increase in Government / Regulatory Involvement**



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## ...Much of Which Occurred over a Four Week Period



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# The Business Model of Northern Trust

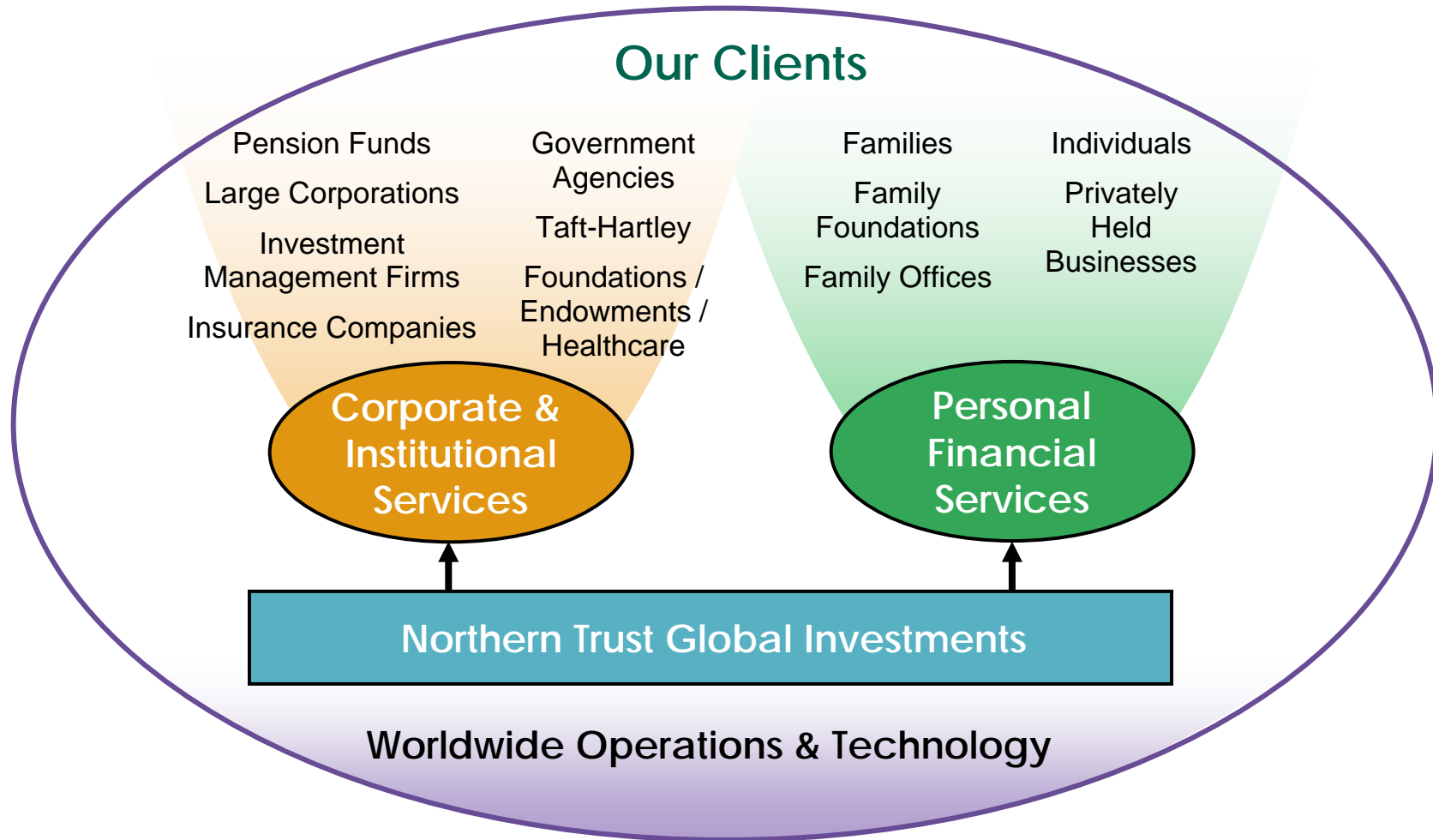


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# Client-centric and Highly Focused Business Model







# Resisting the Temptation to Change Our Business Model

## Businesses Northern Trust is NOT in:

- Investment Banking
- Sub-Prime Mortgage Underwriting
- Asset Backed Commercial Paper Conduits
- Private Equity Bridge Financing
- Discount Brokerage
- American Depositary Receipts
- Credit Cards
- Retail Banking
- Consumer Lending
- Venture Capital
- Stock Transfer
- DC Record Keeping



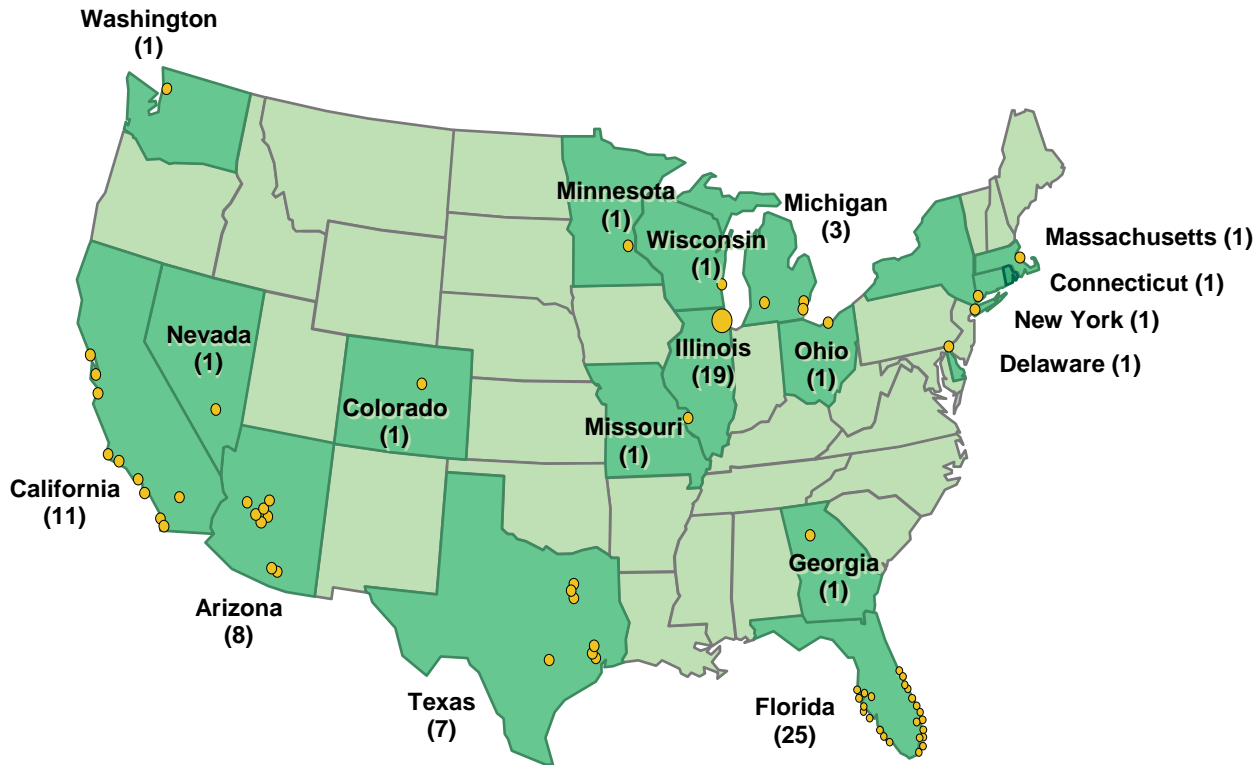
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# Extensive Reach in High Growth Affluent Market

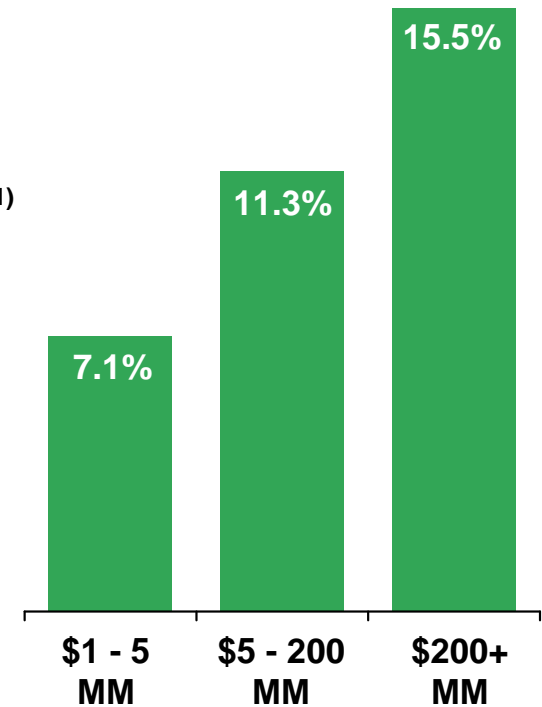
## 85 PFS Offices in 18 States

Over 50% of the U.S. millionaire market resides within a 45-minute drive of Northern Trust offices.



## Projected Annual Household Growth Rates

2007 - 2012 by Household Asset Size



Source: Claritas





*Integrated approach and comprehensive capabilities.*

## Building and Managing Wealth

### ■ Grow Assets

- ◆ Proprietary and Third-party Investment Managers
- ◆ Active Index Strategies
- ◆ Alternative Investments

### ■ Manage Risk

- ◆ Asset Diversification
- ◆ Single-stock Concentration
- ◆ Hedging Strategies
- ◆ Stock Option Planning

### ■ Tax Liability Management

- ◆ Tax Sensitive Investing
- ◆ Tax Loss Harvesting
- ◆ Investment Vehicle Selection

### ■ Liquidity Management

- ◆ Deposit Services
- ◆ Custom Lending
- ◆ Short Term Cash Management Vehicles

## Protecting and Transferring Wealth

### ■ Protect and Preserve Wealth

- ◆ Wealth Transfer Planning
- ◆ Customized Trust Solutions

### ■ Transition Wealth

- ◆ Estate Settlement Services
- ◆ Guardianship Services

### ■ Plan for Special Assets

- ◆ Family Business
- ◆ Manage Non-Financial Assets

## Creating a Legacy

### ■ Reinforce Family Values

- ◆ Family Education
- ◆ Family Mission Statement
- ◆ Advanced Wealth Transfer Strategies

### ■ Establish a Charitable Giving Tradition

- ◆ Implement a Tailored Philanthropic Strategy
- ◆ Balance Charitable Giving with the Financial Needs of the Family
- ◆ Ensure Tax-Efficiency of Philanthropic Vehicles

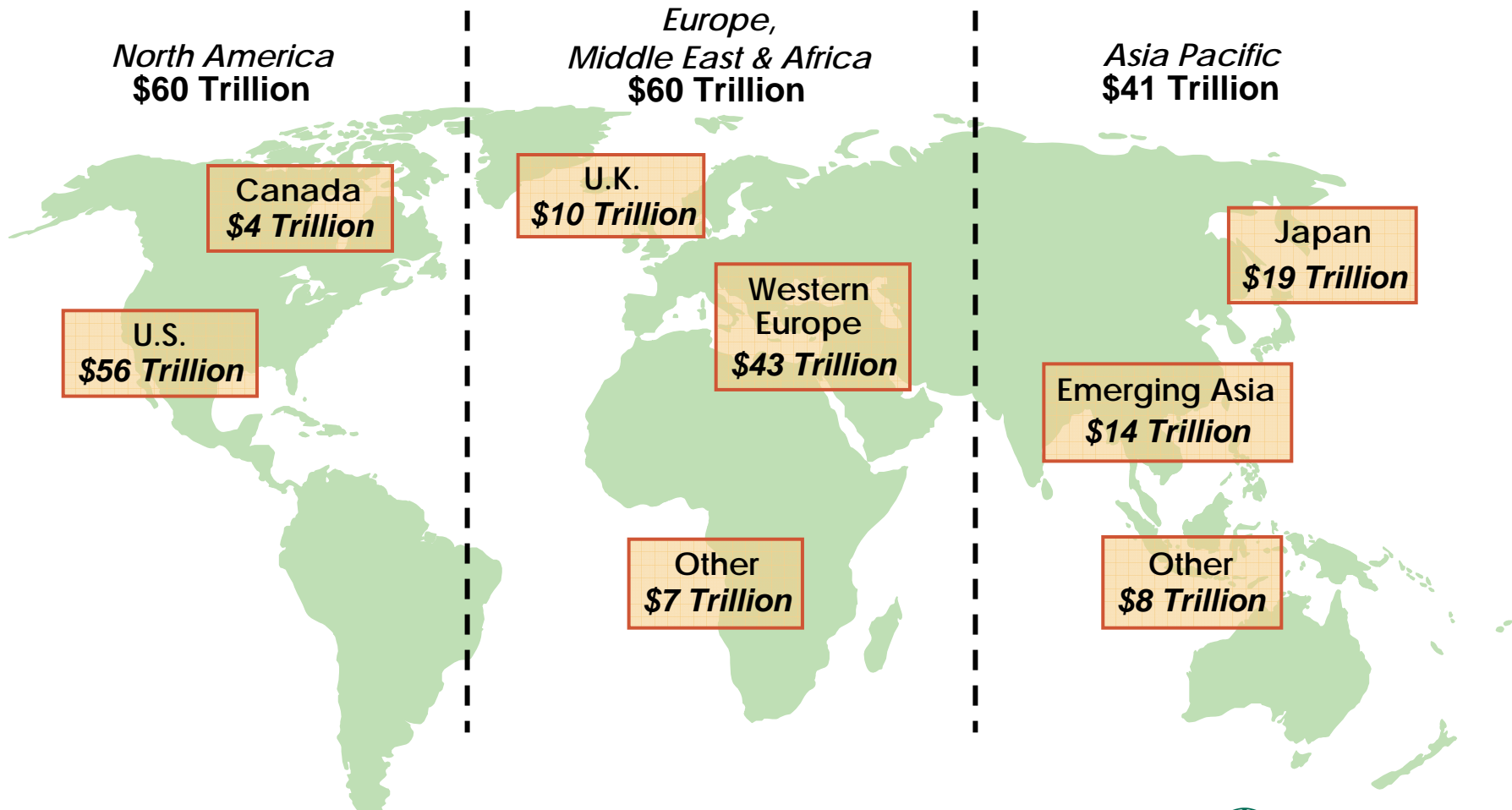




# Market Opportunities Continue to Grow

**Total Market: \$161 Trillion<sup>(1)</sup>**

**Total Assets Under Custody Worldwide: \$90 Trillion<sup>(2)</sup>**



(1) McKinsey & Company – Mapping the Global Capital Market, Fourth Annual Report, January 2008; Excludes \$6 trillion of South American assets

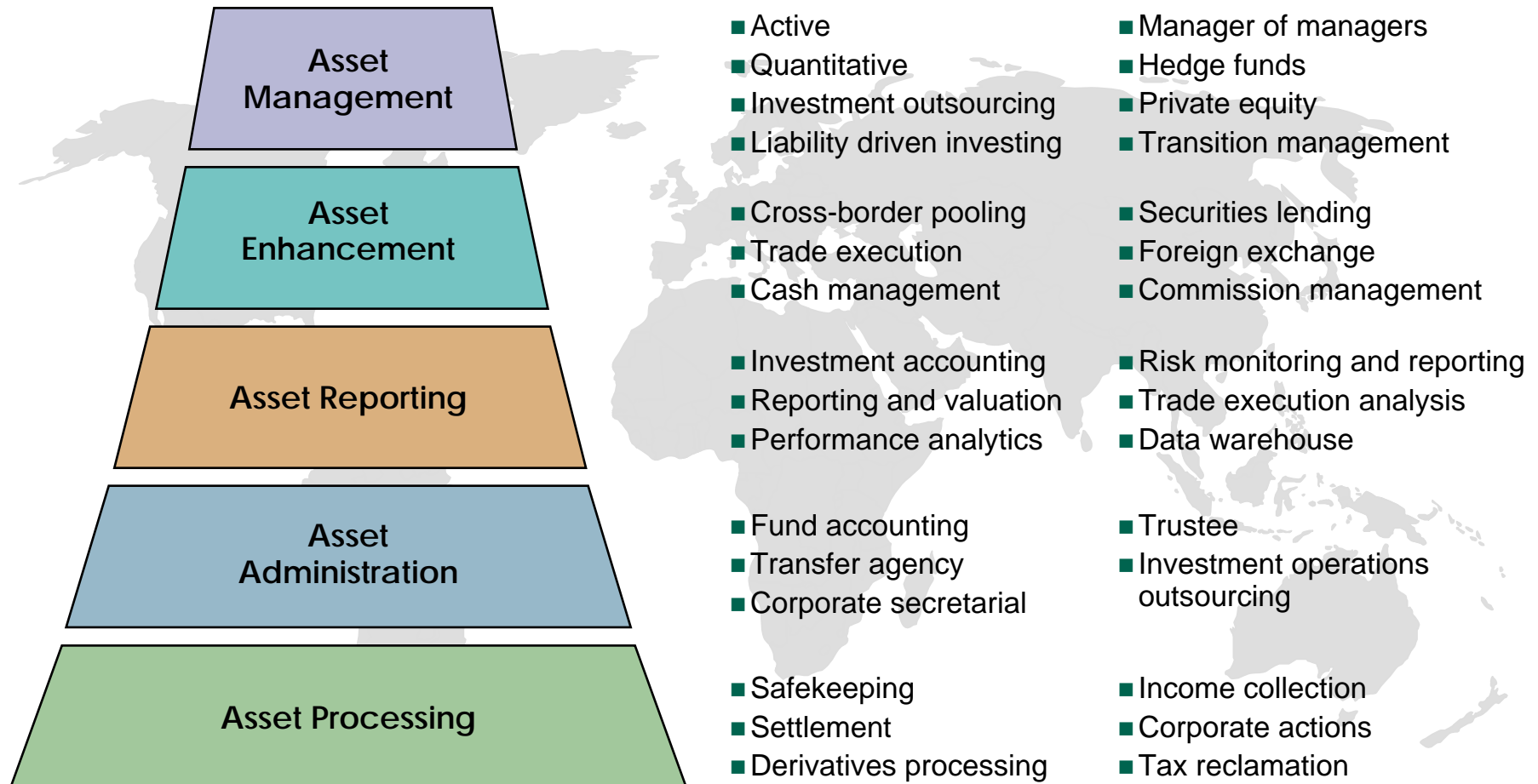
(2) YE 2007 competitor earnings releases & The Greensted Report, Fall 2007 – Top 10 custodians





## Corporate & Institutional Services Full Array of Capabilities...

... to meet the needs of sophisticated institutional investors.





# Strategically Positioned in Three Dynamic Regions

## North America



## Europe, Middle East & Africa



## Asia Pacific



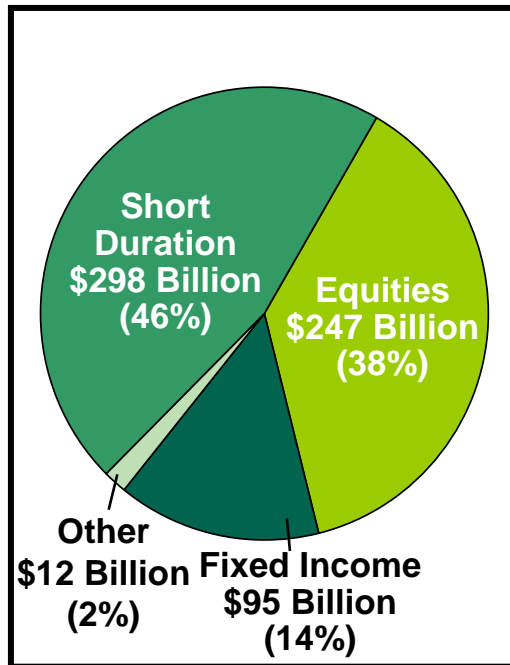


## \$652.4 Billion

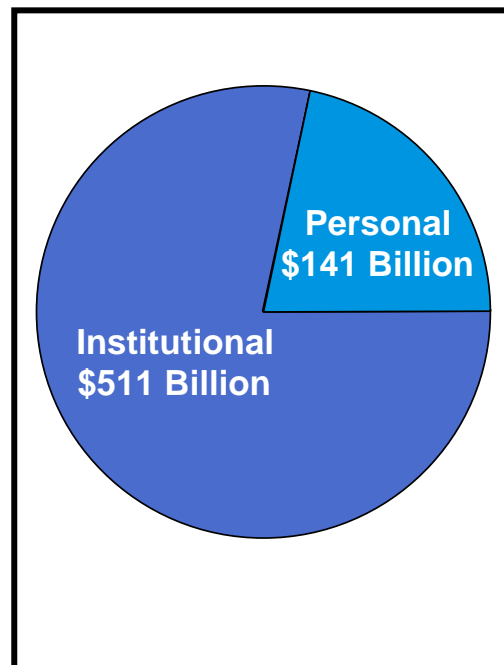
Assets Under Management as of September 30, 2008

### A Diversified Asset Manager

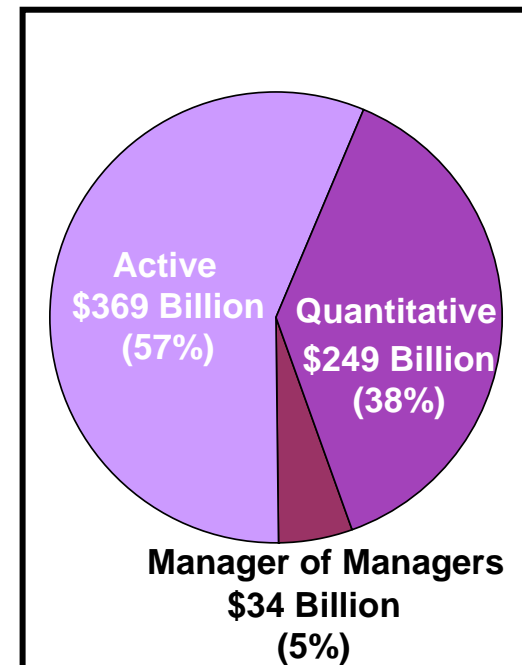
Across Asset Classes



Across Client Segments



Across Styles





### Rankings

#### Markets Served

- **10<sup>th</sup>** Largest Manager Worldwide Institutional Assets
- **5<sup>th</sup>** Largest Manager U.S. Institutional Tax-Exempt Assets
- **3<sup>rd</sup>** Largest Manager Defined Benefit Assets
- **3<sup>rd</sup>** Largest Manager Multi-Manager - U.S. Institutional Assets\*

#### Investment Strategy

- **4<sup>th</sup>** Largest Manager Passive Domestic Indexed Equity
- **3<sup>rd</sup>** Largest Manager Passive Domestic Indexed Bonds
- **3<sup>rd</sup>** Largest Manager Passive International Indexed Securities

Source: *Pensions & Investments* 2008 Special Report on Asset Managers, data as of December 31, 2007.

\*Multi-manager Ranking Source: Cerulli Associates, 2005







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# High Quality Balance Sheet Securities Portfolio

- 90% of Northern Trust's total securities portfolio composed of triple-A rated securities
- 86% of Asset-Backed Securities rated triple-A
- Exposure to subprime Asset-Backed securities relative to the overall portfolio minimal at less than 3%
- 62% of subprime Asset-Backed Securities rated triple-A
- Total gross unrealized losses on Available for Sale securities portfolio of only \$200 million

## Composition

(\$ Millions)	9/30/08	% of Total
<b>Securities – Available for Sale</b>		
U.S. Government	\$ 20	nm
Obligations of States / Political Subdivisions	32	nm
Government Sponsored Agency	9,869	74%
Asset-Backed	1,800	13%
Other	475	4%
<i>Total Securities – Available for Sale</i>	<i>12,195</i>	<i>91%</i>
<b>Securities – Held to Maturity</b>		
Obligations of States / Political Subdivisions	805	6%
Government Sponsored Agency	37	nm
Other	300	2%
<i>Total Securities – Held to Maturity</i>	<i>1,143</i>	<i>9%</i>
Trading Account	9	nm
<b>Total Securities</b>	<b>\$13,347</b>	<b>100%</b>

## High Quality, Short Duration Securities Portfolio

All data is as of September 30, 2008. Items may not total due to rounding.



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# Diversified and High Quality Loan Portfolio

- Relationship-based lending practices
- Nonperforming assets totaled \$61.5 million – the increase from the prior quarter largely reflects the addition of only two loans
- Nonperforming assets represent only 0.21% of total outstanding loans
- Nonperforming loans are covered 3.3 times by current credit loss reserves
- Northern Trust does not:
  - ◆ Underwrite mortgage loans to sub-prime borrowers
  - ◆ Lend directly to hedge funds
  - ◆ Provide bridge financing to private equity deals
  - ◆ Offer an off-balance sheet commercial paper conduit for client liquidity

## Composition

(\$ Billions)	9/30/08	% of Total
<b>U.S.</b>		
Residential Real Estate	\$ 10.0	33%
Commercial	7.7	26%
Commercial Real Estate	2.9	10%
Personal	4.6	15%
Other	1.7	6%
Lease Financing	1.1	4%
<b>Total U.S.</b>	<b>28.1</b>	<b>94%</b>
<b>Non-U.S.</b>	<b>1.7</b>	<b>6%</b>
<b>Total Loans and Leases</b>	<b>\$ 29.9</b>	<b>100%</b>

**Consistently Outstanding Credit Quality**

All data is as of September 30, 2008. Items may not total due to rounding.



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## Outstanding Credit Quality is a Differentiator

*Credit Quality is notably better than peer averages in each category.*

As of September 30, 2008	<b>NTRS</b>	<b>Peer*</b> <b>Average</b>
Non-Performing Assets as a % of Loans	<b>0.21%</b>	1.97%
Loan Loss Reserve as a % of Non-Performing Assets	<b>317%</b>	113%
Net Charge-Offs to Average Loans	<b>0.01%</b>	1.52%

\* Peer group consists of the 20 largest U.S. Bank Holding Companies in terms of total balance sheet assets. September 30<sup>th</sup> data includes 17 banks for which the data is currently available. Source: SNL Financial



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# Outstanding Capital Strength

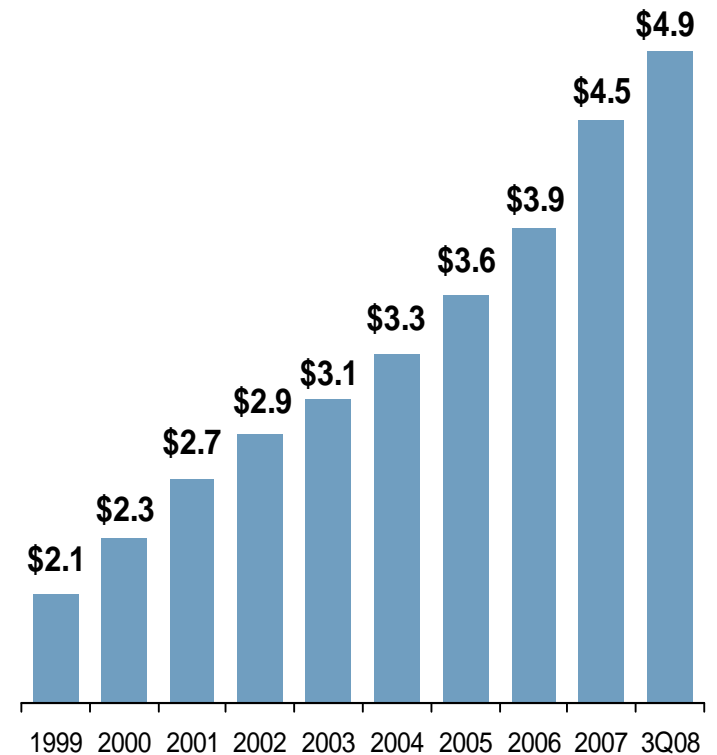
<b>CAPITAL RATIOS</b>	9/30/08	“Well Capitalized” Guideline
<b>Northern Trust Corporation</b>		
Tier 1 Capital Ratio	9.2%	6.0%
Total Risk-Based Ratio	11.4%	10.0%
Leverage Ratio	6.6%	5.0%

## U.S. CAPITAL PURCHASE PROGRAM PARTICIPATION

- As announced on October 27, the Treasury intends to invest \$1.5 billion in senior preferred stock and related warrants in Northern Trust
- In combination with our already strong capital position, the additional capital will allow us to maximize growth opportunities

## COMMON EQUITY (\$ Billions)

**CAGR: +10%**



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# The Business Model of Northern Trust: *Another Perspective*



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# How Important is Asset Allocation to Performance?

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Highest	S&P 500 28.6%	Private Equity 70.8%	Real Estate 26.4%	Real Estate 13.9%	Int'l Bond 22.1%	Small Cap 47.3%	Real Estate 31.6%	Private Equity 22.6%	Real Estate 35.0%	Int'l Equity 11.6%
	Int'l Equity 20.3%	Int'l Equity 27.3%	Govt. Bonds 13.2%	Corp Bond 8.4%	Govt. Bonds 11.5%	Midcap 45.5%	Int'l Equity 20.7%	Int'l Equity 14.0%	Int'l Equity 26.9%	Int'l Bond 11.3%
	Int'l Bond 18.3%	Hedge 26.5%	Corp Bond 11.6%	Govt. Bonds 7.2%	Corp Bond 10.3%	Int'l Equity 39.2%	Small Cap 18.3%	Real Estate 12.2%	Small Cap 18.4%	Govt. Bonds 8.7%
	Private Equity 16.4%	Midcap 24.2%	Private Equity 10.2%	High Yield 5.3%	Real Estate 3.8%	Real Estate 37.2%	Midcap 18.3%	Midcap 8.1%	Midcap 16.2%	Hedge 8.1%
	Govt. Bonds 9.9%	Small Cap 21.3%	Cash 6.2%	Cash 3.4%	Cash 1.7%	High Yield 29.0%	Int'l Bond 12.0%	Hedge 7.5%	S&P 500 15.8%	Private Equity 8.0%
	Corp Bond 8.7%	S&P 500 21.0%	Midcap 4.3%	Hedge 2.8%	Hedge 1.0%	S&P 500 28.7%	High Yield 11.1%	S&P 500 4.9%	High Yield 11.9%	Corp Bond 7.0%
	Cash 5.0%	Cash 5.0%	Hedge 4.1%	Small Cap 2.5%	High Yield -1.4%	Private Equity 19.4%	S&P 500 10.9%	Small Cap 4.6%	Hedge 10.3%	S&P 500 5.5%
	High Yield 1.9%	High Yield 2.4%	Int'l Bond -2.5%	Midcap 1.2%	Private Equity -13.2%	Int'l Bond 18.6%	Hedge 6.4%	Cash 3.3%	Private Equity 7.2%	Cash 4.7%
	Midcap 0.4%	Corp Bond -0.8%	Small Cap -3.0%	Int'l Bond -3.6%	Int'l Equity -15.6%	Hedge 11.5%	Private Equity 6.3%	Govt. Bonds 2.8%	Int'l Bond 6.8%	High Yield 1.9%
	Small Cap -2.6%	Govt. Bonds -2.2%	High Yield -5.9%	S&P 500 -11.9%	Midcap -17.8%	Corp Bond 4.1%	Corp Bond 4.3%	High Yield 2.7%	Cash 5.0%	Midcap 1.4%
	Hedge -5.1%	Real Estate -4.6%	S&P 500 -9.1%	Private Equity -18.5%	Small Cap -20.5%	Govt. Bonds 2.4%	Govt. Bonds 3.5%	Corp Bond 2.4%	Corp Bond 4.3%	Small Cap -1.6%
Lowest	Real Estate -17.5%	Int'l Bond -6.2%	Int'l Equity -14.0%	Int'l Equity -21.2%	S&P 500 -22.1%	Cash 1.0%	Cash 1.4%	Int'l Bond -9.2%	Govt. Bonds 3.5%	Real Estate -15.7%

Sources: Standards & Poor's, Morgan Stanley Capital International, NAREIT, Hedge Fund Research, Venture Economics, Frank Russell, Lehman Brothers, JP Morgan, Federal Reserve Indices: S&P 500: S&P 500; Int'l Equity: MS EAFE; Real Estate: NAREIT Equity REIT; Hedge: HFRI Fund of Funds; Private Equity: Venture Economics All PE; Midcap: Russell 2500; Small Cap: Russell 2000; High Yield: LB High Yield; Government Bonds: LB US Government; Corporate Bonds: LB Aggregate; Int'l Bond: JP Morgan Global ex US; Cash: 90 Day T-bill

Returns shown are those of leading indexes and assume the reinvestment of dividends or earnings. Returns do not reflect the deduction of any fees or expenses, except for the HFR Fund of Funds Composite Index and Venture Economics Private Equity Index, which are shown net of fees and expenses. It is not possible to invest directly in an index. Performance for PE is reported on a lag basis.



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## Asset Allocation versus Stock Selection: *The Origins*

*“The Determinants of Portfolio Performance”*

Brinson, Hood and Beebower, 1986.

### Study

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Examined how asset allocation choices affected 91 large pension plan returns.

### Conclusion

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Most of the variation (94%) in returns is explained by policies of asset mix, rather than individual stock picks.

### Implications

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**How does the notion of “Asset Allocation” reflect on the “New American Banking Paradigm” and the business model and strategic decisions of Northern Trust?**



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# Financial Services Industry: *Asset Allocation Choices*

## *Segments within the Financial Services Industry*

- Asset Management Firms
- Banks and Thrifts
- Capital Markets Firms
- Commercial Finance
- Consumer Lending
- Insurance Brokers
- Life & Health Insurance
- Money Center Banks
- Online Brokerages
- P&C – Multi Line
- P&C – Personal Lines
- Private Banks
- Processors
- Reinsurance
- Trust Banks



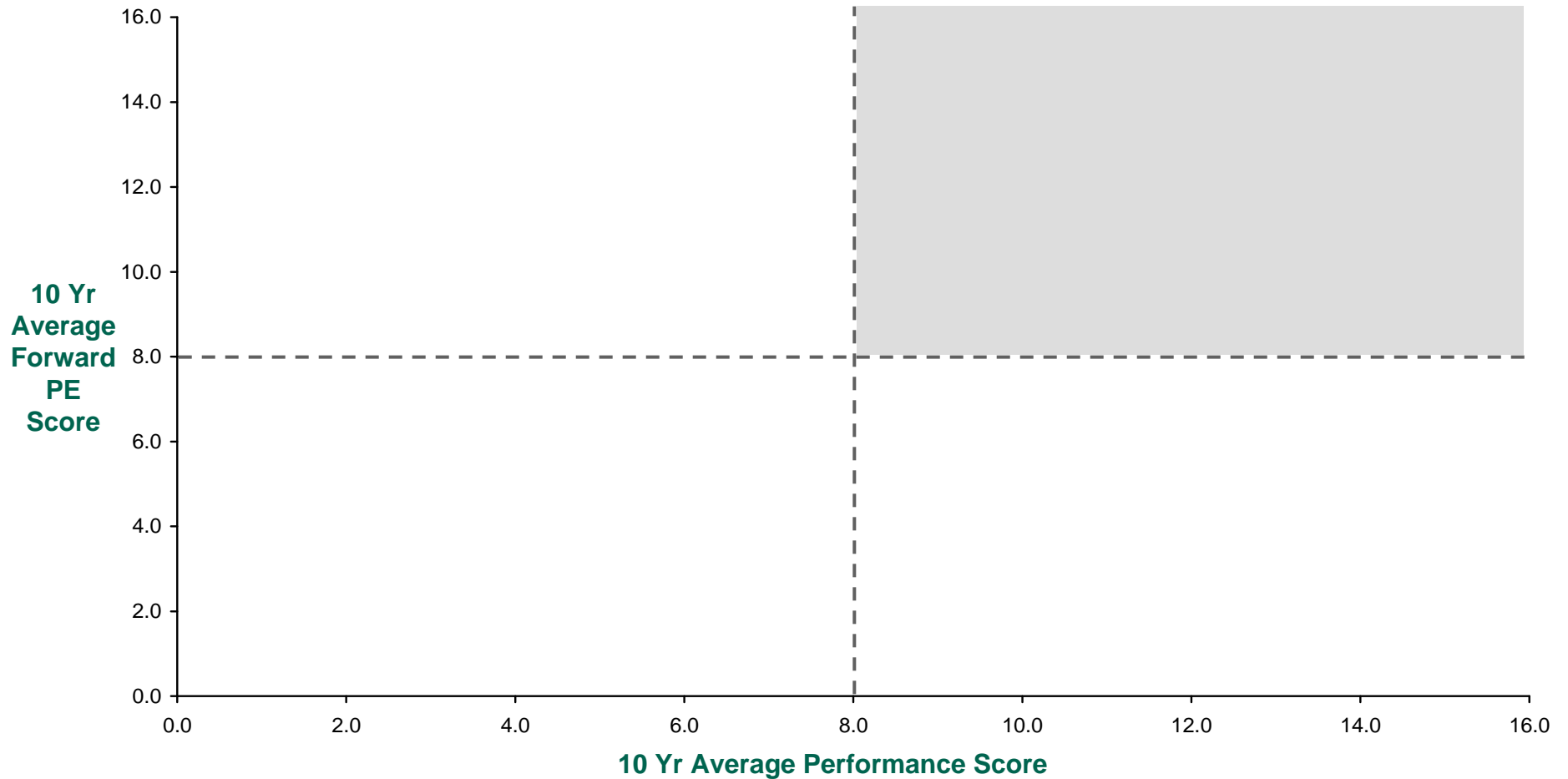
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# Financial Services Industry: *Asset Allocation Choices*

*Which financial services industry segments have the best long-term performance and valuation?*

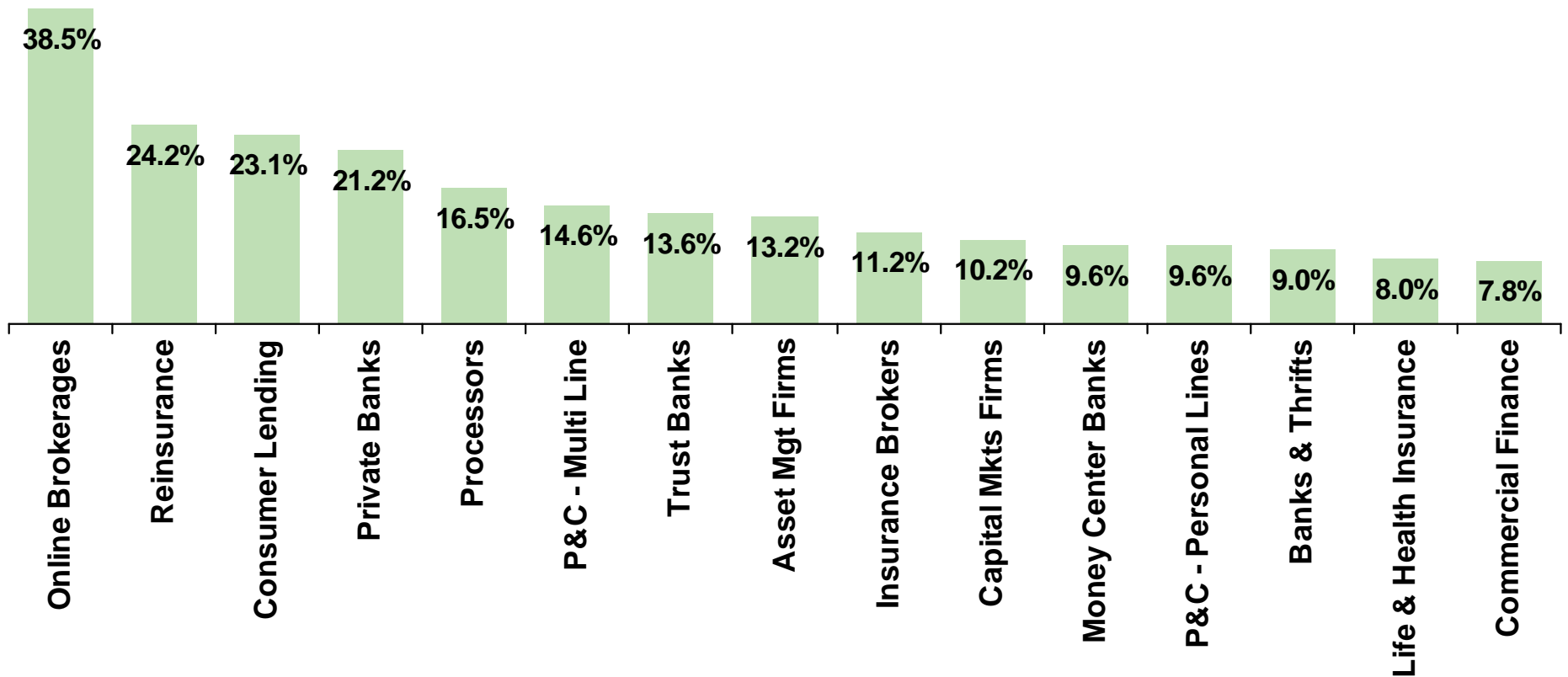


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# Performance Metrics in Financial Services: *Revenue Growth*

## 10-Year Historical Average Annual Revenue Growth



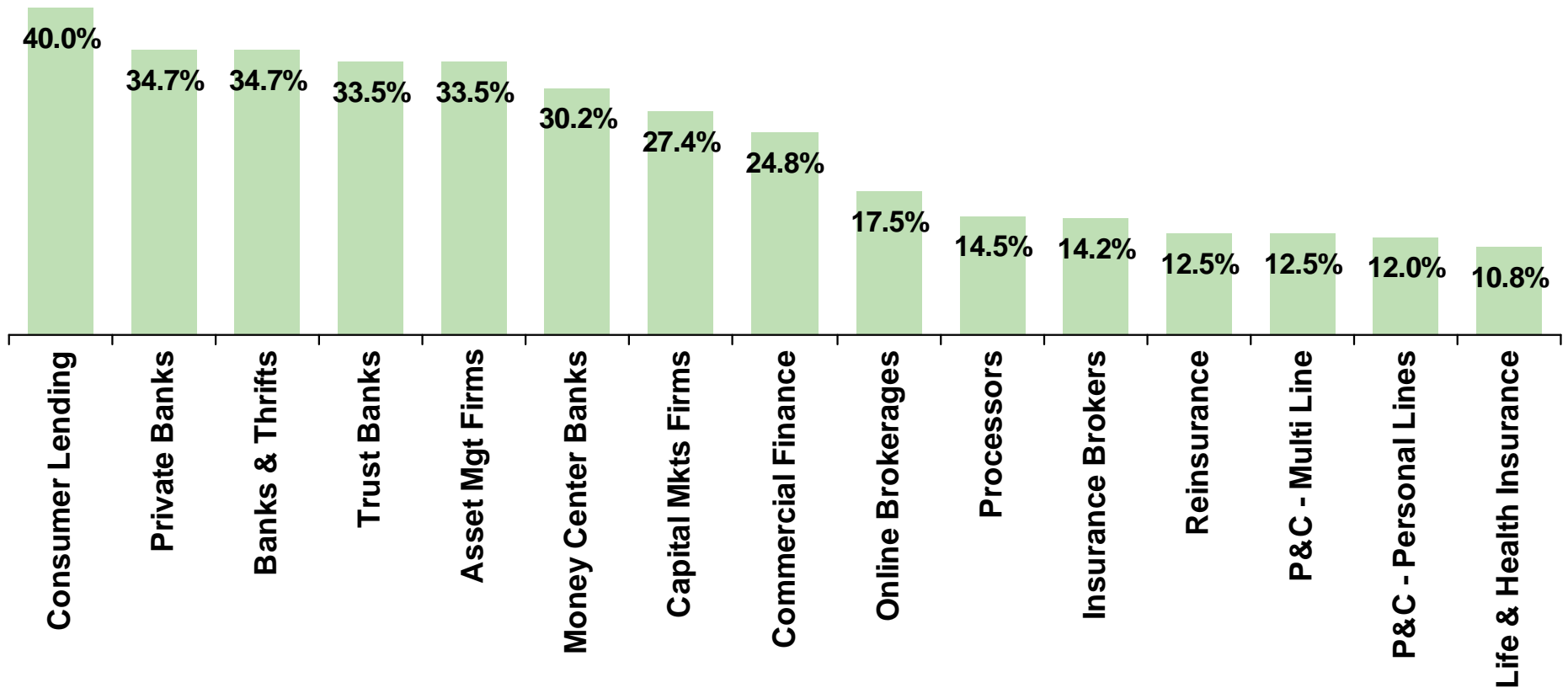
Sources: Factset & SNL Financial





# Performance Metrics in Financial Services: *Pre-Tax Margin*

10-Year Historical Average Annual Pre-Tax Margin



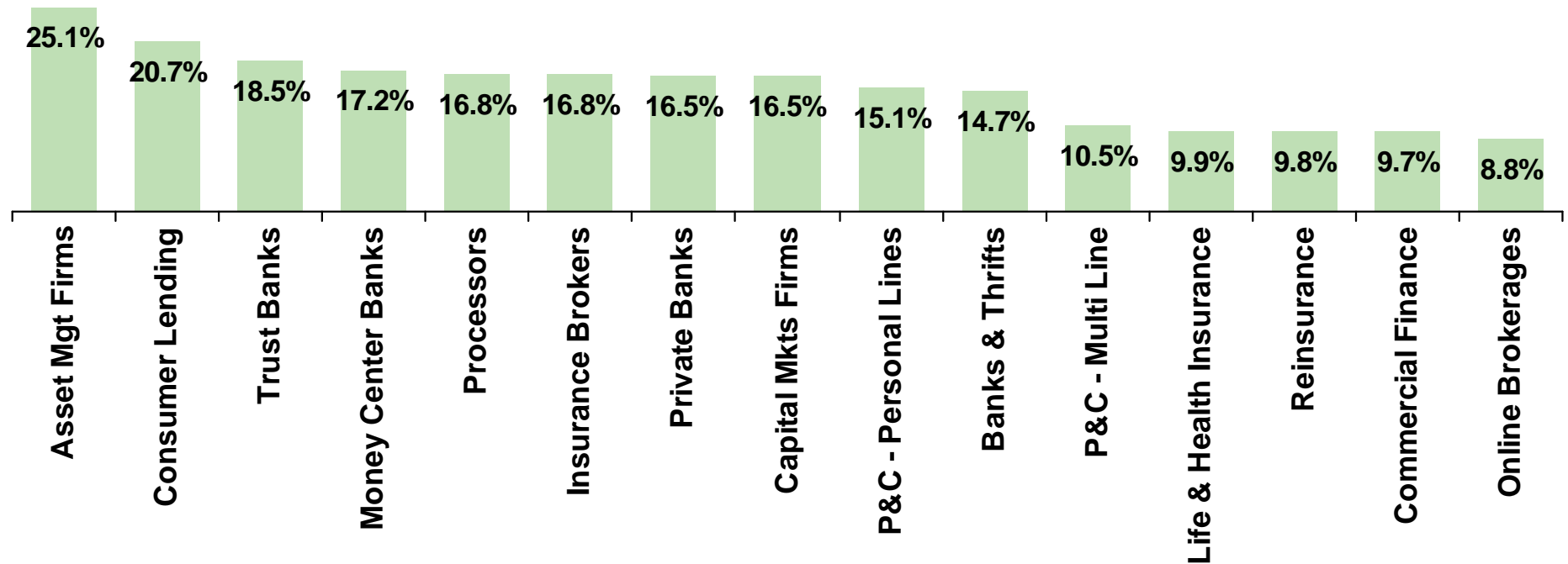
Sources: Factset & SNL Financial





# Performance Metrics in Financial Services: *Return on Equity*

10-Year Historical Average Annual Return on Equity



Sources: Factset & SNL Financial





## Financial Services: *Ranking Based on Performance Measures*

*Assigning a score to each of the three “Performance Measures” and then averaging the scores results in the following ranking by segment:*

1. Consumer Lending
2. Asset Management Firms
3. Private Banks
4. Trust Banks
5. Processors
6. Insurance Brokers
7. Money Center Banks
8. Online Brokerages
9. Capital Markets Firms
10. Banks and Thrifts
11. Reinsurance
12. P&C – Multi Line
13. P&C – Personal Lines
14. Commercial Finance
15. Life & Health Insurance

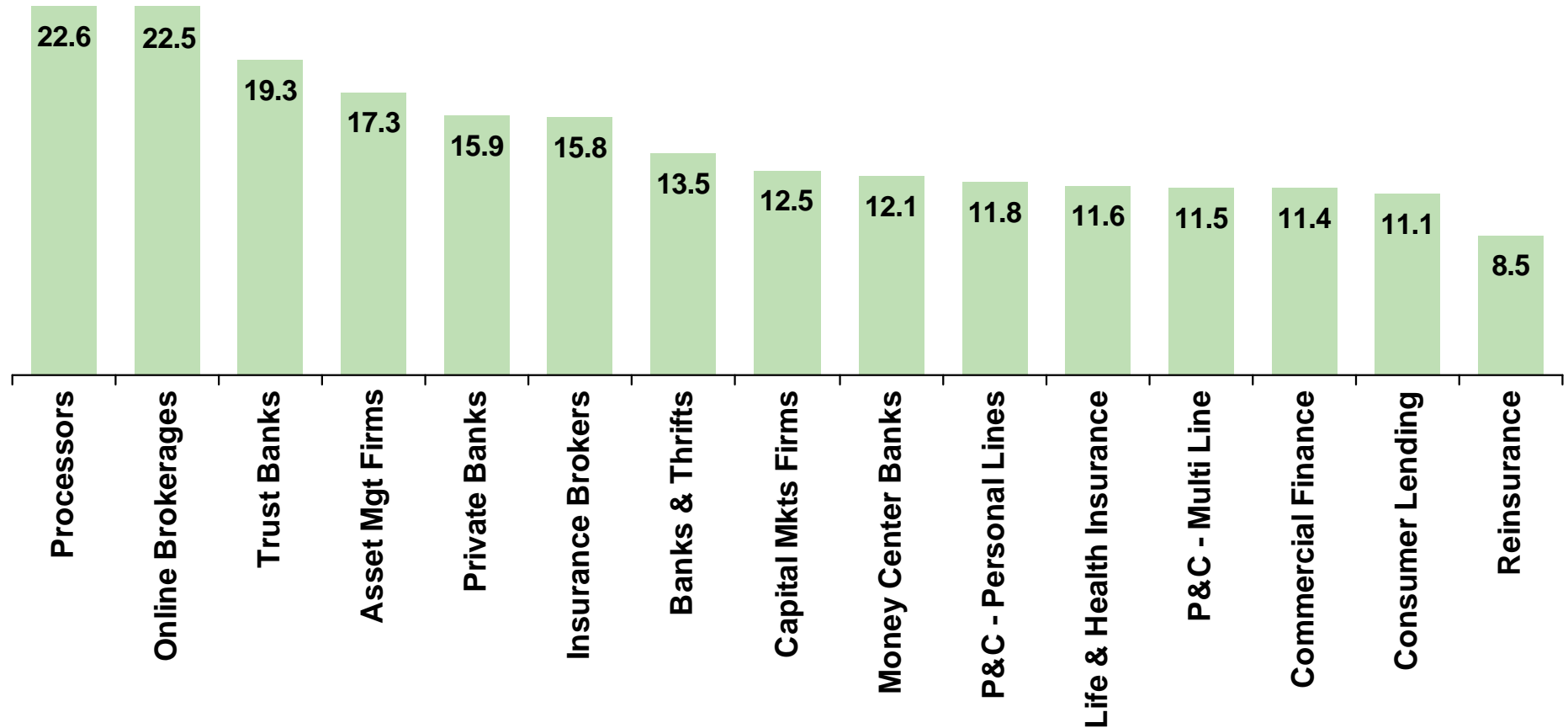


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## Valuation Metric: *Price to Earnings Ratio*

10-Year Historical Average Forward Price to Earnings Ratio



Sources: Factset & SNL Financial

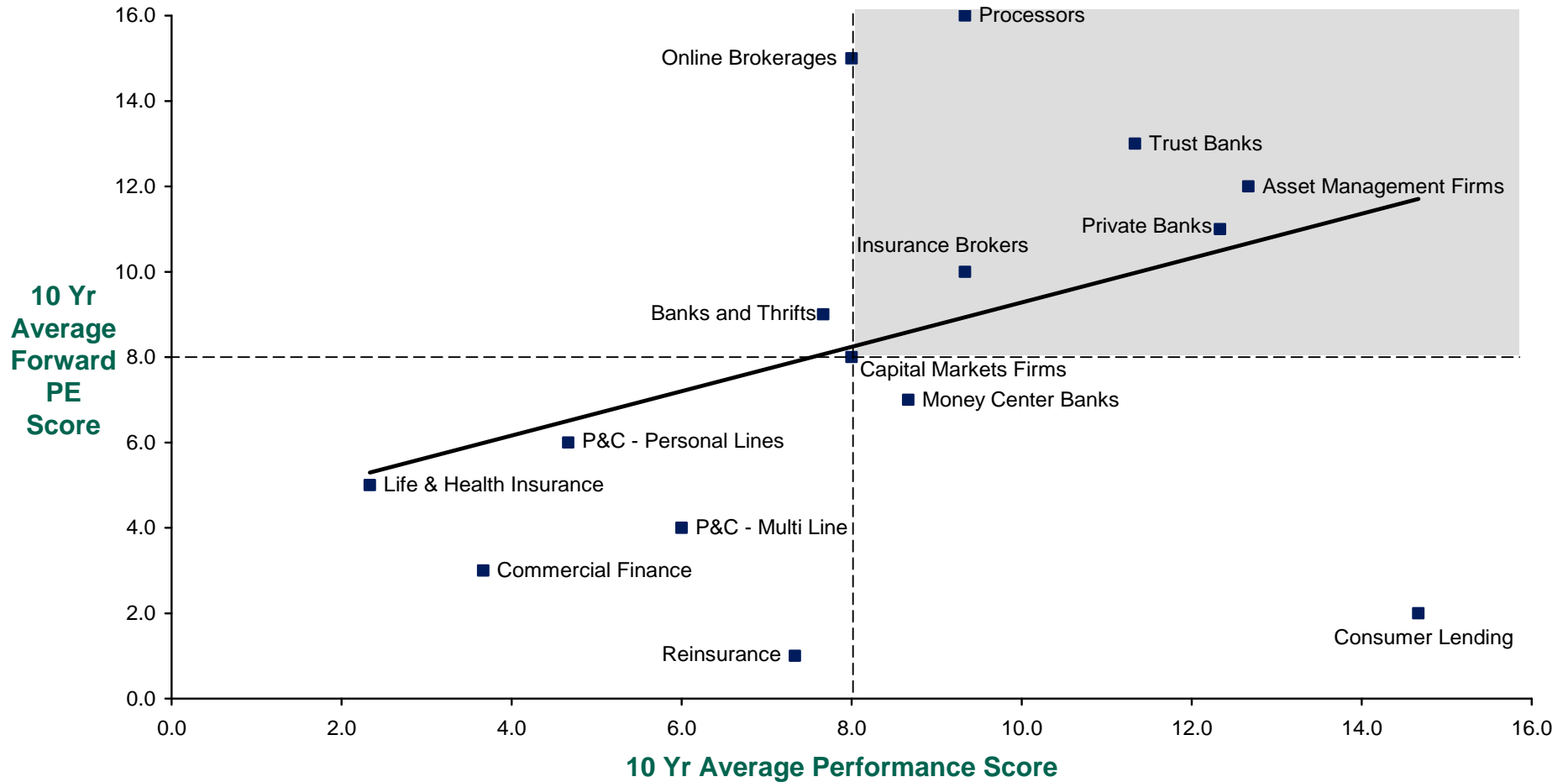


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# Top Right Quadrant: *Best Performing Financial Services Segments*

## Average Performance Score <sup>(1)</sup> vs. Average Price to Earnings Ratio <sup>(2)</sup>



Note: Higher scores imply stronger attributes in these categories.

(1) Average Performance Score is comprised of the average score of segment's 10 Year Historical Average Annual Revenue Growth, 10 Year Historical Average Pre-Tax Margin and 10 Year Historical Average Annual ROE.

(2) Based on the segment's 10 Year Historical Average Forward P/E multiples.

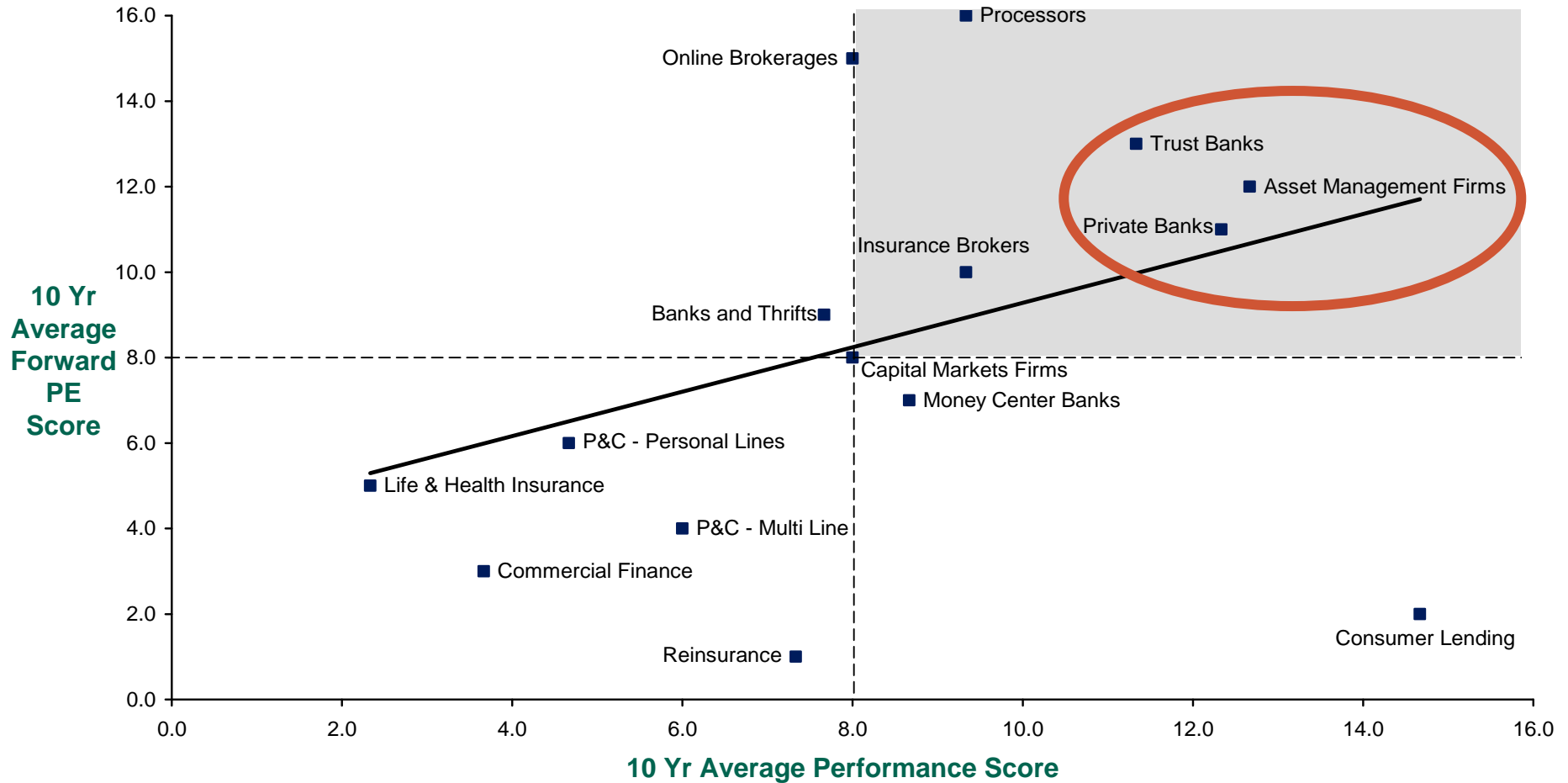


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# Northern Trust: *Long-term, Strategic Asset Allocation*

## Average Performance Score <sup>(1)</sup> vs. Average Price to Earnings Ratio <sup>(2)</sup>



Note: Higher scores imply stronger attributes in these categories.

(1) Average Performance Score is comprised of the average score of segment's 10 Year Historical Average Annual Revenue Growth, 10 Year Historical Average Pre-Tax Margin and 10 Year Historical Average Annual ROE.

(2) Based on the segment's 10 Year Historical Average Forward P/E multiples.



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## Concluding Thoughts

### Northern Trust's Business Model - Choices Matter

- ✓ Attractive Demographic Markets
- ✓ Focused and Conservative Strategy
- ✓ Significant Expertise
- ✓ Organic Growth
- ✓ Consistent Leadership and Philosophy



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