Resolution Plan for Northern Trust Corporation and The Northern Trust Company

Section 1: Public Section

December 31, 2014

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Section 1: Public Section

Introduction

The Public Section provides an overview of the overall resolution strategy for Northern Trust Corporation ("NTC") and its Material Entities ("MEs"), including its principal subsidiary and insured depository institution, The Northern Trust Company ("TNTC"). References throughout this document to “our,” “we,” “us” and “Northern Trust” refer to Northern Trust Corporation and its consolidated subsidiaries, while references to “NTC” refer solely to Northern Trust Corporation.

Under Title I, Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) and implementing regulations issued by the Federal Deposit Insurance Corporation ("FDIC") and the Board of Governors of the Federal Reserve System, NTC, a bank holding company with assets of $50 billion or more, is required to submit periodically to the Federal Reserve Board ("FRB") and the FDIC a plan for resolution in the event of material distress or failure of the bank holding company. The FDIC has also issued a final rule that requires insured depository institutions ("IDIs"), such as TNTC, with assets of $50 billion or more, to submit periodically to the FDIC a plan for resolution in the event of failure under the Federal Deposit Insurance Act (the “FDI Act”). Accordingly, Northern Trust has developed a combined Resolution Plan in accordance with these rules (the “Resolution Plan”). This Public Section contains the information required by the agencies to be made publicly available.

Northern Trust maintains a strong balance sheet in terms of capital, liquidity and asset quality. Northern Trust generates the majority of its revenue from noninterest income that primarily consists of trust, investment and other servicing fees. As a result, Northern Trust has received strong credit ratings from the credit rating agencies.

The Resolution Plan considers strategies for the resolution of Northern Trust. As per the guidance, it is assumed during the resolution of Northern Trust that this event is idiosyncratic, that general macroeconomic conditions are consistent with certain baseline assumptions and the U.S. and global financial systems are operating normally.

The Resolution Plan provides a description of the resolution strategies for NTC and its MEs, including TNTC. The resolution strategies focus on an orderly resolution that preserves value, provides for continuity of services and avoids systemic risk to the U.S. financial system. In each of the resolution strategies, depositors would have timely access to their insured deposits and there would be no cost to the FDIC Deposit Insurance Fund ("DIF"). The strategies do not contemplate any extraordinary funding or public support or any reliance on the Orderly Liquidation Authority ("OLA") powers granted to the FDIC. Northern Trust believes it is highly resolvable under the U.S. Bankruptcy Code and other applicable resolution regimes. This is supported by the following assumptions:

- The FDIC will be able to use its resolution powers in a receivership to facilitate an orderly resolution since Northern Trust’s Core Business Lines ("CBLs") and Critical Operations ("COs") operate through TNTC.
- The strength of Northern Trust’s highly liquid balance sheet will sustain anticipated client deposit run-off without posing systemic risk.

Overview of Northern Trust

NTC is a financial holding company that conducts business through various U.S. and non-U.S. subsidiaries, including TNTC. NTC was originally formed as a holding company for TNTC in 1971.

As of December 31, 2013, Northern Trust had a network of offices in 18 U.S. states, Washington, D.C. and 18 international locations in North America ("Americas"); Europe, the Middle East and Africa ("EMEA"); and the Asia Pacific ("APAC") region. At December 31, 2013, NTC had consolidated total assets of $102.9 billion and stockholders’ equity of $7.9 billion.

TNTC is an Illinois banking corporation headquartered in Chicago and is NTC’s principal subsidiary. Founded in 1889, TNTC conducts its business through its U.S. operations and its various U.S. and non-U.S. branches and subsidiaries. At December 31, 2013, TNTC had consolidated assets of $102.7 billion and common equity capital of $7.1 billion.

Northern Trust is a leading provider of asset servicing, asset management, fiduciary and banking solutions for corporations, institutions, families and individuals worldwide. Northern Trust focuses on servicing and managing client assets through its two primary business units ("BUs"), Corporate & Institutional Services ("C&IS") and Wealth Management ("WM"). Asset management and related services are primarily provided to C&IS and WM clients by a third BU, Asset Management ("AM"). Northern Trust benefits from an integrated global operating platform. As of December 31, 2013, operations and technology services were delivered by a fourth business unit, Operations & Technology ("O&T").

The markets in which Northern Trust operates are very competitive. Competition is provided by both unregulated and regulated financial services organizations, whose products and services span the local, national and global markets in which Northern Trust conducts operations.

Northern Trust’s principal business strategy is to provide quality financial services to targeted market segments in which it believes it has a competitive advantage and favorable growth prospects. As part of this strategy, Northern Trust seeks to deliver a level of service that distinguishes it from its competitors by:

- Focusing on its core businesses (wealth management, asset servicing and asset management);
- Positioning for growth in key markets and jurisdictions;
- Capitalizing on evolving market dynamics and industry mega trends;
- Expanding its global presence in attractive growth markets where it has, or can develop, sustainable competitive advantage;
- Expanding value-added services, products and capabilities;
- Focusing on target client segments; and
- Pursuing excellence in execution and demonstrating a relentless drive to provide exceptional client service.

Northern Trust emphasizes the development and growth of recurring sources of fee-based income and is one of a select group of major bank holding companies in the U.S. that generates more revenues from fee-based services than from net interest income.

Northern Trust also seeks to preserve its asset quality through established credit review procedures and to maintain a highly liquid and well capitalized balance sheet. Northern Trust's management team includes senior officers having broad experience and deep expertise.

A. Names of Material Entities

A “Material Entity” [2] is defined under Section 165(d) of the Dodd-Frank Act and IDI rules in the footnote below. Northern Trust has performed a multi-step analysis to identify MEs using key metrics relating to assets, revenue and earnings, substitutability, staffing levels, memberships of key payment, clearing and settlement systems, and financial guarantees. Northern Trust has identified eight MEs, including three U.S. entities and five non-U.S. entities, as outlined below.

Northern Trust Corporation ("NTC")

NTC is the ultimate parent company of all Northern Trust entities. NTC was formed as a holding company for TNTC in 1971 and is a financial holding company regulated by the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 as amended. On October 30, 2003, NTC elected to be a financial holding company under the Gramm Leach Bliley Act of 1999. NTC is subject to supervision and regulation by the FRB and the U.S. Securities & Exchange Commission ("SEC").

The Northern Trust Company ("TNTC")

TNTC was organized as an Illinois bank on August 7, 1889. TNTC is headquartered in Chicago, Illinois and is NTC’s principal subsidiary. As a state-chartered banking institution that is a member of the Federal Reserve System, TNTC’s primary federal banking regulator is the FRB for both its U.S. and non-U.S. operations. TNTC is an FDIC-insured depository institution. It is subject to applicable federal and state banking laws as well as supervision by the Illinois Department of Financial and Professional Regulation ("IDFPR"), the FDIC and the regulatory authorities of those states and countries in which a TNTC branch is located.

TNTC is a leading provider of asset servicing, asset management, fiduciary and banking solutions for corporations, institutions, families and individuals worldwide. TNTC conducts its business through its two primary business units ("BUs"), Corporate & Institutional Services ("C&IS") and Wealth Management ("WM"). Asset management and related services are primarily provided to C&IS and WM clients by a third BU, Asset Management ("AM"). Northern Trust benefits from an integrated global operating platform. As of December 31, 2013, operations and technology services were delivered by a fourth business unit, Operations & Technology ("O&T"). At December 31, 2013, TNTC and its subsidiaries and branches comprised approximately 99.7% of Northern Trust’s consolidated total assets.

The Northern Trust Company, London Branch ("TNTC London")

TNTC London provides banking, custody, fund administration and foreign exchange services primarily to institutional clients.

Northern Trust Investments, Inc. ("NTI")

NTI is a subsidiary of TNTC and an Illinois state bank limited to the exercise of full trust powers. NTI is regulated by the SEC and the IDFPR and is a registered investment adviser.

NTI provides passive and active investment advisory services to personal and institutional clients for fixed income and equity separate accounts and funds. In addition, NTI manages equity, fixed income and mutual fund assets through wrap and model investment management services.

[2] For purposes of resolution plans required under Section 165(d) of the Dodd-Frank Act (“165(d) Plan”), a “material entity” is defined as: “..a subsidiary or foreign office of the covered company that is significant to the activities of a critical operation or core business line.” 12 CFR Part 243 (Federal Reserve) or 12 CFR Part 381 (FDIC). For purposes of resolution plans required for insured depository institutions ("IDI") with assets of $50 billion or more (“IDI Plan”), a “material entity” is defined as: “..a company that is significant to the activities of a critical service or core business line.” 12 CFR Part 360 (FDIC).

Northern Operating Services Private Limited ("NOS")

NOS was incorporated as a private limited company under the Companies Act, 1956 on August 30, 2005, in Bangalore, India.

NOS provides back-office processing services in support of custody and asset servicing functions, investment operations outsourcing, fund accounting, foreign exchange, cash management, derivatives processing, securities operations and other services as may be agreed upon by NTC affiliates.

Northern Trust Management Services Limited ("NTMSL")

NTMSL is registered in England and Wales as an investment holding company. It provides personnel services to TNTC London and to Northern Trust's London-based operating subsidiaries.

The Northern Trust Company, Canada ("TNTCC")

TNTCC is a wholly owned subsidiary of TNTC and is a federal Canadian trust company. TNTCC provides global trust and custody services in Canada.

Northern Trust Global Services Limited ("NTGSL")

NTGSL is a United Kingdom bank that provides banking and custody services primarily to institutional clients.

B. Description of Core Business Lines

Northern Trust has two Core Business Lines[3]: C&IS and WM.

Corporate & Institutional Services ("C&IS")

C&IS is a leading global provider of asset servicing, brokerage, banking and related services to institutional investors.

Asset servicing and related services encompass a full range of industry leading capabilities including but not limited to: global master trust and custody; fund administration; securities lending; foreign exchange; cash management; investment risk and performance analytical services; investment operations outsourcing; transition management; treasury management; and brokerage services.

Client relationships are managed from locations in the Americas, EMEA and APAC. At December 31, 2013, C&IS had Assets Under Custody ("AUC") of $5,079.8 billion and Assets Under Management ("AUM") of $662.7 billion.

Wealth Management ("WM")

WM provides trust, investment management, custody, and philanthropic services; financial consulting; guardianship and estate administration; family business consulting; family financial education; brokerage services; and private and business banking.

WM focuses on high-net-worth individuals and families, business owners, executives, professionals, retirees and established privately-held businesses in its target markets. WM includes the Global Family Office, which provides customized services to meet the complex financial needs of individuals and family offices with assets typically exceeding $200 million.

WM is one of the largest providers of advisory services in the U.S. with $496.0 billion in AUC and $221.8 billion in AUM as of December 31, 2013. As of December 31, 2013, WM services were delivered through a network of offices in 18 U.S. states and Washington D.C. as well as offices in London, Guernsey and Abu Dhabi.

[3] For purposes of 165(d) Plans, "core business lines" are defined as: "..those business lines of the covered company , including associated operations, services, functions and support, that, in the view of the covered company, upon failure would result in a material loss of revenue, profit or franchise value." 12 CFR Part 243 (Federal Reserve) or 12 CFR Part 381 (FDIC). For purposes of IDI Plans, "core business lines" are defined as: "..those business lines of the [covered insured depository institution], including associated operations, services, functions and support, that, in the view of the [covered insured depository institution], upon failure would result in a material loss of revenue, profit or franchise value." 12 CFR Part 360 (FDIC).

C. Summary of Financial Information Regarding Assets, Liabilities, Capital and Major Funding Sources

The table below provides a consolidated balance sheet for NTC.

Northern Trust Corporation Balance Sheet as of December 31, 2013

(dollar amounts in millions)

Assets	
Cash and Due from Banks	$ 3,162.4
Federal Funds Sold and Securities Purchased under Agreements to Resell	529.6
Interest-Bearing Deposits with Banks	19,397.4
Federal Reserve Deposits and Other Interest-Bearing	12,911.5
Securities	
Available for Sale	28,392.8
Held to Maturity (Fair Value - $2,321.4 in 2013 and $2,394.8 in 2012)	2,325.8
Trading Account	1.7
Total Securities	**30,720.3**
Loans and Leases	
Commercial	12,620.0
Personal	16,765.5
Total Loans and Leases (Net of unearned income - $286.2 in 2013 and $297.9 in 2012)	**29,385.5**
Allowance for Credit Losses Assigned to Loans and Leases	(278.1)
Buildings and Equipment	458.8
Client Security Settlement Receivables	1,355.2
Goodwill	540.7
Other Assets	4,764.0
Total Assets	**$ 102,947.3**

Liabilities	
Deposits	
Demand and Other Noninterest-Bearing	$ 16,888.7
Savings and Money Market	14,991.5
Savings Certificates and Other Time	1,874.4
Non-U.S. Offices - Noninterest-Bearing	1,881.8
- Interest-Bearing	48,461.7
Total Deposits	**84,098.1**
Federal Funds Purchased	965.1
Securities Sold under Agreements to Repurchase	917.3
Other Borrowings	1,558.6
Senior Notes	1,996.6
Long-Term Debt	1,709.2
Floating Rate Capital Debt	277.1
Other Liabilities	3,513.3
Total Liabilities	**$ 95,035.3**

Stockholders' Equity	
Common Stock, $1.66 ⅔ Par Value; Authorized 560,000,000 shares; Outstanding shares of 237,322,035	$ 408.6
Additional Paid-in Capital	1,035.6
Retained Earnings	7,134.8
Accumulated Other Comprehensive Loss	(244.3)
Treasury Stock (7,849,489 shares, at cost)	(422.8)
Total Stockholders' Equity	**7,912.0**
Total Liabilities and Stockholders' Equity	**$ 102,947.3**

The table below provides a consolidated balance sheet for TNTC.

The Northern Trust Company Balance Sheet as of December 31, 2013

(dollar amounts in millions)

Assets	
Cash and Due from Banks	3,006.6
Federal Funds Sold and Securities Purchased under Agreements to Resell	529.6
Interest-Bearing Deposits with Banks	19,384.6
Federal Reserve Deposits and Other Interest-Bearing	12,897.8
Securities	
Available for Sale	28,387.6
Held to Maturity (Fair Value - $2,321.4 in 2013 and $2,394.8 in 2012)	2,325.8
Total Securities	**30,713.3**
Loans and Leases	
Commercial	12,620.0
Personal	16,765.5
Total Loans and Leases (Net of unearned income - $286.2 in 2013 and $297.9 in 2012)	**29,385.5**
Allowance for Credit Losses Assigned to Loans and Leases	(278.1)
Buildings and Equipment	454.8
Client Security Settlement Receivables	1,355.2
Goodwill	501.9
Other Assets	4,707.4
Total Assets	**102,658.7**
Liabilities	
Deposits	
Demand and Other Noninterest-Bearing	18,540.6
Savings and Money Market	14,994.7
Savings Certificates	1,874.4
Non-U.S. Offices - Noninterest-Bearing	1,882.1
- Interest-Bearing	48,425.3
Total Deposits	**85,717.1**
Federal Funds Purchased	965.1
Securities Sold under Agreements to Repurchase	917.3
Other Borrowings	1,598.2
Senior Notes	1,000.0
Long-Term Debt	2,034.0
Other Liabilities	3,323.6
Total Liabilities	**95,555.4**
Stockholders' Equity	**7,103.3**
Total Liabilities and Stockholders' Equity	**102,658.7**

** The financial information presented for The Northern Trust Company reflects the consolidation of Northern Trust Investments, Inc. and The Northern Trust Company of Connecticut, which became subsidiaries of The Northern Trust Company effective January 1, 2014.*

Capital

One of Northern Trust's primary objectives is to maintain a strong capital position that merits and maintains the confidence of clients, the investing public, the credit rating agencies, bank regulators and stockholders. A strong capital position helps Northern Trust pursue profitable investment opportunities and withstand unforeseen adverse developments.

Northern Trust manages its capital on a total corporation basis and on a legal entity basis. In establishing the standards for capital, a variety of factors are taken into consideration including the overall risk of Northern Trust's businesses, regulatory requirements, capital levels relative to our peers and the impact on our credit ratings. NTC declared common dividends totaling $299.2 million in 2013, and in March 2013, the Board increased the quarterly dividend by 3.33% to $0.31 per common share.

Capital levels were strengthened in 2013 as average common equity increased 4.2%, or $308.8 million, reaching $7.9 billion. At December 31, 2013, NTC's tier 1 capital ratio was 13.4% and its total capital ratio was 15.8% of risk-weighted assets, both well above the ratios that are a requirement for regulatory classification as "well-capitalized." The "well-capitalized" minimum ratios are 6.0% and 10.0%, respectively. NTC's leverage ratio (tier 1 capital to fourth quarter average assets) of 7.9% was also well above the "well-capitalized" minimum requirement of 5.0%. In addition, TNTC had a ratio of 11.5% for tier 1 capital, 14.3% for total risk-based capital and 6.8% for leverage. Each of NTC's non-U.S. banking subsidiaries had capital ratios above their specified minimum requirements.

The risk-based capital guidelines that applied to NTC and TNTC as of December 31, 2013, commonly referred to as Basel I, were based on the 1988 capital accord of the Basel Committee as implemented by the FRB. The table below presents Basel I regulatory capital ratios and related regulatory guidelines for NTC and TNTC as of December 31, 2013.

Risk-Based and Leverage Ratios as of December 31, 2013

	Actual		Minimum to Qualify as "Well Capitalized"	
($ In Millions)	**Amount**	**Ratio**	**Amount**	**Ratio**
Total Capital to Risk-Weighted Assets				
Consolidated	$ 9,294.9	15.8%	$ 5,877.4	10%
The Northern Trust Company	8,366.2	14.3%	5,858.8	10%
Tier 1 Capital to Risk-Weighted Assets				
Consolidated	7,853.2	13.4%	3,526.4	6.0%
The Northern Trust Company	6,765.6	11.5%	3,515.2	6.0%
Tier 1 Capital to Adjusted Average Fourth Quarter Assets				
Consolidated	7,853.2	7.9%	4,953.7	5.0%
The Northern Trust Company	6,765.6	6.8%	4,939.9	5.0%

Economic Capital

Northern Trust strives to maintain capital against unexpected losses that could threaten solvency and estimates this by calculating economic capital. Under non-stressed conditions, NTC strives to hold capital at a level such that it can withstand a severe stress and still maintain ready access to funding, meet its obligations to creditors and other counterparties and continue to serve as a credit intermediary.

Northern Trust has established a Capital Committee to manage its capital adequacy position to meet the above objectives. The Capital Committee establishes internal capital management standards that consider regulatory requirements and the results of the capital adequacy assessment process and recommends these to NTC and TNTC's board of directors for approval.

Stress Testing

Stress testing analysis is performed globally across Northern Trust's BUs and legal entities to assess Northern Trust's overall capital adequacy in relation to its risk profile. Certain local, jurisdictional or entity-specific activities are documented in respective entity-level guidelines where they diverge from activities normally defined for stress testing. Stress testing plays an important role in the capital adequacy assessment process. It is used by Northern Trust's management and individual risk management teams across the organization to assess how various events may impact levels of required and/or available capital and to provide additional information to management.

Funding and Liquidity

Northern Trust maintains a strong liquidity position and a conservative liquidity risk profile as demonstrated by its low reliance on short-term funding sources and its high level of short-term assets. The objectives for liquidity risk management are to determine Northern Trust's cash flow obligations under both normal and adverse economic conditions while maintaining its ability to capitalize on business opportunities in a timely and cost effective manner.

Northern Trust uses liquidity stress tests to support its contingent liquidity plans, gain insight into its liquidity position and strengthen its liquidity policies and practices. A global contingent liquidity action plan is approved annually by Northern Trust's Asset and Liability Management Policy Committee ("ALCO") and regularly updated and tested.

Northern Trust operates under a treasury model where the consolidated balance sheet, funding and liquidity are analyzed and managed centrally by Northern Trust's Treasury Department. Northern Trust manages its liquidity within a global risk management framework, incorporating regional policies, limits, regulations and management when appropriate. This single set of policies, standards and processes provides for consistency across businesses, stability in methodologies and transparency of risk.

Northern Trust's balance sheet is primarily liability-driven. That is, the main driver of balance sheet changes comes from changing levels of client deposits, which are generally related to the level of global custody assets and institutional and personal deposits. This liability-driven business model differs from a typical asset-driven business model where increased levels of deposits are required to support, for example, increased levels of lending.

Northern Trust's balance sheet generally consists of assets and liabilities with relatively short durations resulting in low re-pricing and interest rate risk. The global custody business provides Northern Trust with a significant amount of institutional client funding resulting in less reliance on wholesale funding and personal deposits, which differentiates Northern Trust from other U.S. bank holding companies.

D. Description of Derivative and Hedging Activities

Hedging Derivatives

Northern Trust is party to various derivative financial instruments that are used in the normal course of business to meet the needs of its clients, as part of its trading activity for its own account, and as part of its risk management activities. These instruments include foreign exchange contracts, interest rate contracts and credit default swap contracts.

Foreign exchange contracts are agreements to exchange specific amounts of currencies at a future date at a specified rate of exchange. Foreign exchange contracts are entered into primarily to meet the foreign exchange needs of clients. Foreign exchange contracts can also be used for trading purposes and risk management. Northern Trust uses foreign exchange contracts to reduce its exposure to changes in foreign exchange rates relating to certain forecasted non-functional currency denominated revenue and expenditure transactions, foreign currency denominated assets and liabilities, and net investments in non-U.S. affiliates.

Interest rate contracts include swap, option and forward contracts. Interest rate swap contracts involve the exchange of fixed and floating rate interest payment obligations without the exchange of the underlying principal amounts. Northern Trust enters into interest rate swap contracts on behalf of its clients and also utilizes such contracts to reduce or eliminate the exposure to changes in the cash flows or fair value of hedged assets or liabilities due to changes in interest rates.

Credit default swap contracts are agreements to transfer credit default risk from one party to another in exchange for a fee. To reduce credit risk, Northern Trust enters into credit default swaps with outside counterparties where the counterparty agrees to assume the underlying credit exposure of a specific Northern Trust commercial loan or loan commitment.

Counterparty Credit Risk and Collateral

The estimated credit risk associated with derivative instruments relates to the failure of the counterparty and the failure of Northern Trust to pay based on the contractual terms of the agreement and is generally limited to the unrealized fair value gains and losses on these instruments, respectively.

The amount of credit risk will increase or decrease during the life of the instruments as interest rates, foreign exchange rates or credit spreads fluctuate. This risk is managed by limiting such activity to an approved list of counterparties and by subjecting such activity to the same credit and quality controls as are followed in lending and investment activities.

E. Memberships in Material Payment, Clearing and Settlement Systems

Northern Trust utilizes payment, clearing and settlement systems or Financial Market Utilities ("FMUs") to conduct financial transactions in a global economy. FMUs allow Northern Trust to provide payment services to clients and facilitate the clearing and settlement of client security, derivative and cash transactions. Northern Trust's material relationships, mainly through TNTC, include participation in the following FMUs:

Direct Memberships in Payment, Clearing and Settlement Systems as of December 31, 2013

System Type	Payment, Clearing and Settlement Systems	Entity Holding Membership
Payment	Fedwire Funds Service ("Fedwire")	TNTC
	Clearing House Interbank Payments System ("CHIPS")	TNTC
	Automated Clearing House ("ACH")	TNTC
Settlement and Clearing	Fedwire Securities Service	TNTC
	Depository Trust & Clearing Corp ("DTCC")	TNTC
	National Securities Clearing Corporation ("NSCC")	TNTC
	London Clearing House ("LCH")	N/A – Indirect Membership
	Continuous Linked Settlement ("CLS")	TNTC London
	Options Clearing Corporation ("OCC")	TNTC
	Clearing and Depository Services, Inc. ("CDS")	TNTCC
	CREST	TNTC
	Euroclear U.K. & Ireland LTD	TNTC London
Interbank Financial Telecommunication	The Society of Worldwide Interbank Financial Telecommunication ("SWIFT")	TNTC

F. Description of Foreign Operations

As of December 31, 2013, Northern Trust had a network of offices in 18 U.S. states, Washington, D.C. and 18 international locations in the Americas, EMEA and APAC with approximately fifteen thousand employees worldwide.

Northern Trust's primary international activities consist of asset servicing and asset management. Northern Trust has operational capabilities in the Americas, EMEA and APAC.

At December 31, 2013, Northern Trust had approximately three thousand employees in EMEA and approximately four thousand employees in APAC.

G. Material Supervisory Authorities

NTC is regulated as a financial holding company under the Bank Holding Company Act of 1956 and is subject to the supervision, examination and regulation of the Federal Reserve Board.

TNTC, which is NTC's principal subsidiary, is a member of the Federal Reserve System and its deposits are insured by the FDIC up to the maximum authorized limit. It is subject to regulation by both of these agencies. TNTC, as an Illinois banking corporation, is also subject to Illinois state laws and regulations and to examination and supervision by the Division of Banking of the IDFPR. TNTC is registered as a government securities dealer in accordance with the Government Securities Act of 1986. As a government securities dealer, its activities are subject to the rules and regulations of the Department of the Treasury. TNTC is also registered as a transfer agent with the FRB and is therefore subject to the rules and regulations of the FRB in this area.

NTC's nonbanking affiliates are all subject to examination by the FRB. Several subsidiaries of NTC are registered with the SEC under the Investment Advisors Act of 1940 ("IAA") and are subject to the associated rules and regulations under the IAA. TNTC and other subsidiaries of NTC act as investment advisors to several mutual funds and other asset managers which are subject to regulation by the SEC under the Investment Company Act of 1940 ("ICA").

The activities of NTC's subsidiaries outside the U.S. are subject to regulation, laws and supervision (including regulatory and capital requirements) by a number of non-U.S. regulatory agencies in the jurisdictions in which they operate, including regulatory and capital requirements.

H. Principal Officers

As of December 17, 2014, the following tables list the principal officers of NTC and TNTC, all of whom are appointed by the Board.

Exhibit 1.H.1Principal Officers of NTC

Name	Position	Management Group
Frederick H. Waddell	Chairman of the Board and Chief Executive Officer	Yes
S. Biff Bowman	Executive Vice President, Chief Financial Officer	Yes
Robert P. Browne	Executive Vice President, Chief Investment Officer	Yes
Peter B. Cherecwich	Executive Vice President, Head of Global Fund Services	Yes
Jeffrey D. Cohodes	Executive Vice President, Chief Risk Officer	Yes
Steven L. Fradkin	President, Wealth Management	Yes
Susan C. Levy	Executive Vice President and General Counsel	Yes
William L. Morrison	President	Yes
Michael G. O'Grady	President, Corporate and Institutional Services	Yes
Gill Pembleton	Executive Vice President, Human Resources	Yes
Stephen N. Potter	President, Asset Management	Yes
Jana R. Schreuder	Executive Vice President and Chief Operating Officer	Yes
Joyce M. St. Clair	President, Enterprise Operations	Yes
Jane B. Karpinski	Senior Vice President and Controller	No

Exhibit 1.H.2 Principal Officers of TNTC

Name	Position	Management Group
Frederick H. Waddell	Chairman of the Board, Chief Executive Officer and President	Yes
S. Biff Bowman	Executive Vice President, Chief Financial Officer	Yes
Robert P. Browne	Executive Vice President, Chief Investment Officer	Yes
Peter B. Cherecwich	Executive Vice President, Head of Global Fund Services	Yes
Jeffrey D. Cohodes	Executive Vice President, Chief Risk Officer	Yes
Steven L. Fradkin	President, Wealth Management	Yes
Susan C. Levy	Executive Vice President and General Counsel	Yes
William L. Morrison	Executive Vice President	Yes
Michael G. O'Grady	President, Corporate and Institutional Services	Yes
Gill Pembleton	Executive Vice President, Human Resources	Yes
Stephen N. Potter	President, Asset Management	Yes
Jana R. Schreuder	Executive Vice President and Chief Operating Officer	Yes
Joyce M. St. Clair	President, Enterprise Operations	Yes
Jane B. Karpinski	Senior Vice President and Controller	No

I. Resolution Planning Corporate Governance Structure and Processes Related to Resolution Planning

Northern Trust has incorporated Resolution Planning into its risk framework. A comprehensive process was designed and deployed to provide proper governance, and controls were incorporated in developing and maintaining the Resolution Plan. The governance structure is led by the Resolution Office, which is embedded within Northern Trust's Risk Management group.

A Resolution Office was established to coordinate the development of the Resolution Plan with input from business partners representing the MEs, CBLs and COs. The Resolution Office is responsible for the ongoing maintenance of the Resolution Plan, including assessing interconnections, strategic options, MEs, CBLs and COs.

To facilitate the successful development of the resolution planning process, Northern Trust has established a dedicated Resolution Office. The Resolution Office is a core team that includes Risk Management, Legal Department, Compliance, Corporate Communications, Finance and business partners.

Board of Directors

The board of directors of NTC and TNTC is responsible for reviewing and approving the Resolution Plan.

Global Enterprise Risk Committee ("GERC")

The GERC is responsible for reviewing and recommending approval of the Resolution Plan to the board of directors. The GERC consists of senior leadership of Northern Trust comprising of the members of the Management Group.

Resolution Plan Council ("Council")

The Council is responsible for providing oversight to the development and execution of Northern Trust's Resolution Plan. The Council reviews and provides advice on recommendations made by the Resolution Office and workstreams with regard to the designation of MEs, CBLs and COs as well as the resolution strategies.

Executive Sponsor

The Executive Sponsor is the individual responsible for acting as the resolution planning leader and coordinator. The Executive Sponsor represents the Resolution Office within Northern Trust and liaises with the FRB and the FDIC. The Executive Sponsor is responsible for resolving any financial, strategic and operational obstacles related to resolution planning.

J. Description of Material Management Information Systems ("MIS")

Northern Trust utilizes MIS for risk management, accounting, financial and regulatory reporting and internal management reporting and analysis. Northern Trust's key MIS generate numerous reports that are used during the normal course of business to monitor the financial health, risks and operations of Northern Trust, its MEs, CBLs and COs. These systems are primarily platform and mainframe technologies with interface applications that are used to collect, maintain and report information to management, as well as used externally for regulatory compliance.

Financial reporting systems provide information required to produce financial position and performance for senior management and external parties. Key MIS are used to improve the understanding of specific operational risk loss events in order to strengthen controls and improve the processes to reduce the frequency and severity of future loss events. Key MIS are used to monitor NTC's and each BU's performance across pre-determined strategic benchmarks and to improve operations, establish action plans and develop corrective actions, as necessary.

Northern Trust maintains detailed business continuity and disaster recovery documentation for each of its departments and supporting technology platforms. This documentation discusses, in detail, application specific recovery time objectives as well as plans to continue business operations in events where key systems are unavailable. Business continuity resources are deployed regionally around the globe to provide appropriate levels of governance and oversight for business continuity planning, testing, response management, crisis management and supplier resiliency.

K. High-Level Description of Resolution Strategy

The Resolution Plan is designed to provide for the rapid and orderly resolution of NTC and its subsidiaries without any extraordinary support from the U.S. government in an organized manner that substantially mitigate the impact that failure of these entities, businesses or operations would have on financial stability in the U.S. The Resolution Plan also demonstrates how TNTC can be resolved in a manner that provides depositors access to insured deposits within one business day of failure, maximizes net present value return from sale or disposition of its assets, and minimizes the amount of any loss realized by creditors in the resolution in a manner that is least costly to the DIF.

As per the guidance, the Resolution Plan considers strategies for resolution of Northern Trust in an idiosyncratic event that leaves NTC and TNTC insolvent. It is assumed that the idiosyncratic event occurs at a time that general macroeconomic conditions are consistent with certain baseline assumptions and the U.S. and global financial systems are operating normally.

The Resolution Plan describes multiple strategies for resolving Northern Trust in a manner that would substantially mitigate the impact that Northern Trust's failure would have serious adverse effects on the U.S. or global financial stability.

NTC, as the bank holding company and parent of TNTC, would initiate a bankruptcy proceeding by filing a voluntary Chapter 11 bankruptcy petition with the clerk of the appropriate bankruptcy court in the event of resolution. In Chapter 11, the debtor generally becomes debtor-in-possession and is authorized to operate its business "in the ordinary course" without the necessity of obtaining bankruptcy court approval.

The Resolution Plan contemplates that TNTC, which represents the bulk of the assets and liabilities of Northern Trust, would enter into an FDIC receivership allowing it to continue to provide requisite operational support to the rest of Northern Trust. The FDIC would use its traditional resolution powers in receivership under the FDI Act to facilitate an orderly disposition of assets.

Sale strategies for each of Northern Trust's CBLs, which Northern Trust believes would be attractive acquisition targets for a single or multiple third-party buyers (domestic or foreign), are also contemplated in the Resolution Plan. Sale transactions with a single buyer or multiple third-party buyers could be executed rapidly, over the course of a weekend or on a delayed basis utilizing the FDIC's traditional bank resolution powers to charter a bridge bank as an interim step to a sale to a third-party buyer.

Each of Northern Trust's proposed resolution strategies are designed to mitigate the impact that the failure of Northern Trust would have on financial stability in the U.S. Northern Trust believes that the Resolution Plan would result in no losses to the FDIC DIF, to the U.S. Department of Treasury or to depositors (domestic or foreign).