



Northern Trust

**NORTHERN TRUST CORPORATION
THE NORTHERN TRUST COMPANY**

NORTHERN TRUST RESOLUTION PLAN

December 31, 2015

Section 1: Public Section

Introduction

This Public Section provides an overview of the overall resolution strategy for Northern Trust Corporation ("NTC") and its material entities, 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 ("DFA") and implementing regulations ("165(d) rule") issued by the Board of Governors of the Federal Reserve System ("FRB") and the Federal Deposit Insurance Corporation ("FDIC"), NTC, a bank holding company with consolidated assets of \$50 billion or more, is required to submit periodically to the FDIC and the FRB a plan for resolution in the event of material distress or failure of the bank holding company. In addition, under a separate FDIC rule that applies to insured depository institutions ("IDI") with assets of \$50 billion or more ("IDI rule"), TNTC is required to submit periodically to the FDIC a plan for resolution in the event of failure under the Federal Deposit Insurance Act. Accordingly, Northern Trust has developed a resolution plan for NTC under the 165(d) rule and a resolution plan for TNTC under the IDI rule (collectively, the "Resolution Plans"). This Public Section contains the information for each of the Resolution Plans that is required by the agencies to be made publicly available.

The Resolution Plans provide descriptions of the resolution strategies for NTC and its material entities, including TNTC. The resolution strategies focus on a rapid and orderly resolution that 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 the use of any extraordinary funding or public support or any reliance on the Orderly Liquidation Authority ("OLA") powers granted to the FDIC under Title II of the DFA. Northern Trust believes it is highly resolvable under the U.S. Bankruptcy Code and other applicable resolution regimes.

The Resolution Plans assume an extreme, idiosyncratic event occurs that materially impairs one of TNTC's core business lines and puts TNTC in an insolvent condition, in accordance with the "Guidance for Covered Insured Depository Institution Resolution Plan Submissions" published by the FDIC in December 2014. Strategies for the resolution of NTC and TNTC are considered under a range of macro-economic conditions including those consistent with the Baseline, Adverse and Severely Adverse scenarios as published by the FRB on October 23, 2014.

Financial data incorporated in the Resolution Plans and this Public Section is as of December 31, 2014, unless otherwise noted.

Forward-Looking Statements

The Resolution Plans are based on a series of hypothetical scenarios and assumptions about future events and circumstances. Accordingly, many of the statements and assessments in this Public Section constitute "forward-looking statements" within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are identified typically by words or phrases such as "believe," "expect," "anticipate," "intend," "estimate," "project," "likely," "plan," "goal," "target," "strategy," and similar expressions or future or conditional verbs such as "may," "will," "should," "would," and "could." Forward-looking statements include statements, other than those related to historical facts, that relate to our future plans, objectives and resolution strategies and to the objectives and effectiveness of our risk management, capital and liquidity policies. These statements are based on our current beliefs and expectations and involve risks and uncertainties that are difficult to predict and subject to change. Actual results may differ materially from those expressed or implied by forward-looking statements.

The Resolution Plans are not binding on any bankruptcy court, regulators or any other resolution authority. In the event of the resolution of NTC or TNTC, the strategies actually implemented by Northern Trust, our regulators or any other resolution authority may differ, possibly materially, from the strategies described in this Public Section. Our expectations and projections regarding the execution of our resolution strategies are based on scenarios and assumptions that are hypothetical and may not reflect events to which Northern Trust is or may become subject. As a result, our actual resolution strategies, or the outcomes of our resolution strategies, could differ, possibly materially, from those we have described.

We also have included information about projects in progress, planned or considered in connection with resolution planning. Any statements with respect to these projects and their impact and effectiveness are forward-looking statements based on current expectations regarding the ability to complete and effect those projects and any actions that third parties must take, or refrain from taking, to permit us to complete those projects. The timing of projects may change from what is expected and these projects may not be effective or have the effect anticipated.

The information contained in the Resolution Plans submitted, including the designation of “material entities” and “core business lines”, has been prepared in accordance with applicable regulatory requirements and guidance. Differences in the presentation of information concerning Northern Trust’s businesses and operations contained in this Public Section relative to how such information is presented for other purposes are solely due to compliance with the rules governing the submission of resolution plans and do not reflect changes to our organizational structure, business practices or strategies.

Overview of Northern Trust

NTC was established in 1971 and is a bank holding company that has elected to be a financial holding company. NTC conducts business through various U.S. and non-U.S. subsidiaries, including TNTC.

As of December 31, 2014, Northern Trust had a network of offices in 19 U.S. states, Washington, D.C. and 20 international locations in North America ("Americas"); Europe, the Middle East and Africa ("EMEA"); and the Asia Pacific ("APAC") region. As of December 31, 2014, Northern Trust had consolidated total assets of \$109.9 billion and stockholders' equity of \$8.4 billion.

TNTC is an FDIC-insured 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. As of December 31, 2014, TNTC had consolidated assets of \$109.6 billion and common equity capital of \$7.6 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 core business lines ("CBL"), Corporate & Institutional Services ("C&IS") and Wealth Management ("WM"). Northern Trust benefits from an integrated global operating platform through which operations and technology services are delivered by the Enterprise Enablement function. In addition, asset management and related services are primarily provided to C&IS and WM clients by the Asset Management business.

Northern Trust faces intense competition in all aspects and areas of its business. 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 competitors include a broad range of financial institutions and servicing companies, including other custodial banks, deposit-taking institutions, asset management firms, benefits consultants, trust companies, investment banking firms, insurance companies, and investment counseling firms.

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 by:

- Focusing on its core services (asset servicing and asset management and banking);
- 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 providing exceptional client service.

Additional information related to Northern Trust is contained in Northern Trust's most recent annual report on Form 10-K and other filings with the U.S. Securities and Exchange Commission, all of which are available on Northern Trust's website.

A. Resolution Planning and Actions to Enhance Resolvability

Northern Trust maintains a strong balance sheet in terms of capital, liquidity and asset quality. Northern Trust generates the largest component of its revenue from noninterest income that primarily consists of trust, investment and other servicing fees.

Northern Trust seeks to maintain strong asset quality through established credit review procedures and has developed conservative liquidity and capital policies to ensure maintenance of a highly liquid and well capitalized balance sheet.

Northern Trust has an operating model and organization structure that are supportive of resolvability:

- Approximately 99% of Northern Trust's revenues and profits are generated by activities conducted in TNTC
- TNTC's assets represent more than 99% of Northern Trust's consolidated total assets

Since the 2014 plan submission, Northern Trust has taken proactive measures and devoted substantial resources to its resolution planning efforts to improve its resolvability. Northern Trust's efforts include the following:

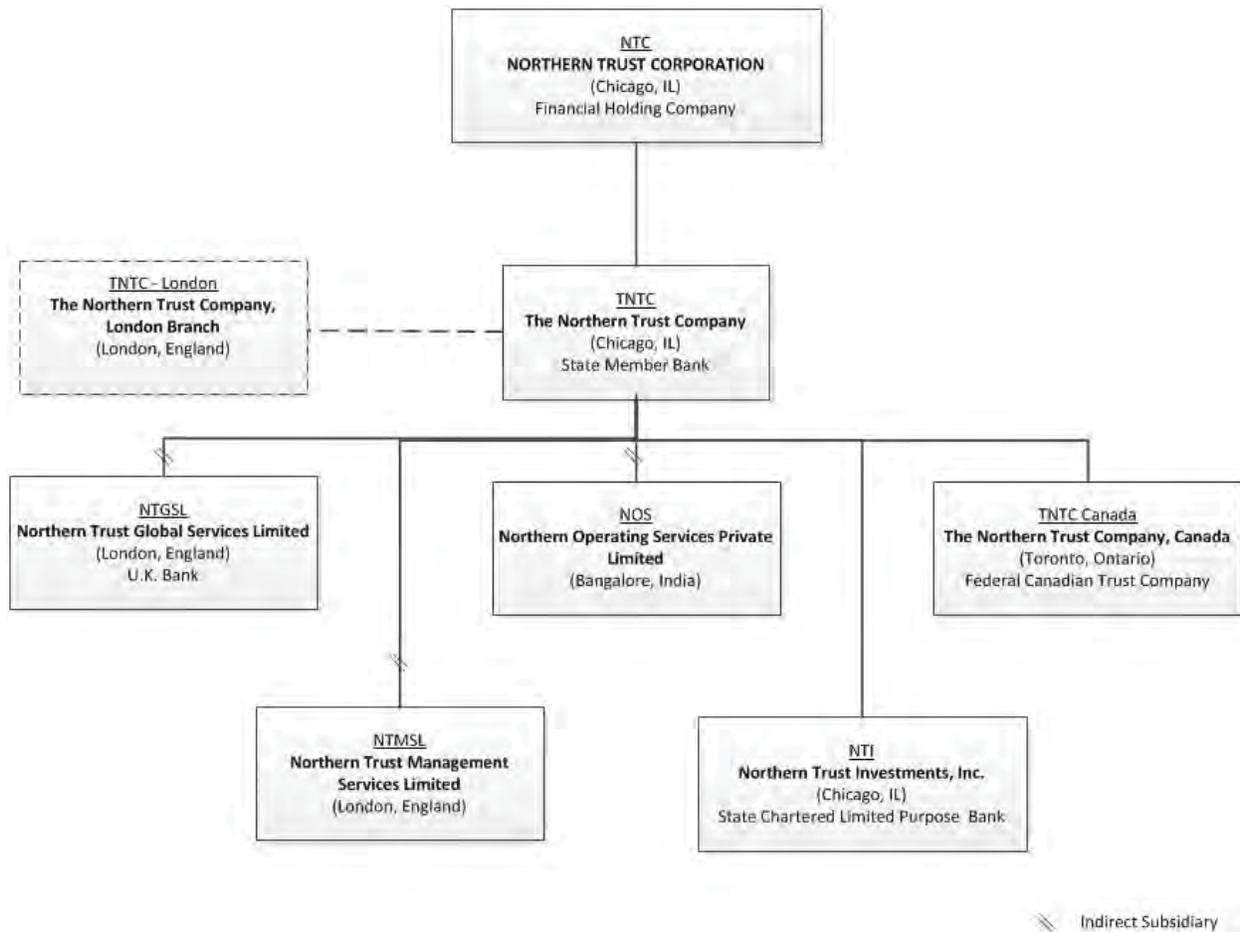
Functional Element	Enhancements
Governance	<ul style="list-style-type: none"> * Modified contemplated resolution strategies * Developed resolution readiness playbooks focusing on business separation and sales and continued access to Financial Market Utilities ("FMUs") * Established a project plan to create a playbook focusing on employee retention
Liquidity and Capital	<ul style="list-style-type: none"> * Deepened analysis of its funding and liquidity, including likely sources and uses under extreme stress conditions that could immediately precede failure in what is referred to as the "Runway Period"
Operational Preparedness	<ul style="list-style-type: none"> * Initiated feasibility testing of key aspects of the resolution strategies

Northern Trust is committed to continuous improvement and transformation in key aspects of Northern Trust's businesses, including resolvability, and has enhanced the process by which potential improvements are identified, scoped, planned, executed, and integrated into the institution's business as usual processes.

B. Material Entities

A “material entity”¹ is defined under the 165(d) rule and IDI rule in the footnote below. Northern Trust has performed a multi-step analysis to identify material entities for both Resolution Plans 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 material entities, including three U.S. entities and five non-U.S. entities, each of which is a material entity for the 165(d) plan and the IDI plan and each of which conducts activities important to both the C&IS and WM core business lines. An organizational chart of these material entities, as of December 31, 2014, is provided below, along with a summary table. Each material entity is described in more detail in the remaining sections.

Organizational Chart of Northern Trust's Material Entities



¹ For purposes of resolution plans required under Section 165(d) of the DFA, 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 (FRB) or 12 CFR Part 381 (FDIC). For purposes of resolution plans required for IDIs with assets of \$50 billion or more, 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 Trust Material Entity Summary

Material Entity	Material Entity Abbreviation	Regulatory Authority ²
Northern Trust Corporation	NTC	FRB, SEC
The Northern Trust Company	TNTC	FRB, IDFP, FDIC, CFPB
The Northern Trust Company, London Branch	TNTC London	FRB, IDFP, PRA, FCA
Northern Trust Investments, Inc.	NTI	SEC, IDFP
Northern Operating Services Private Limited	NOS	FRB, IDFP, STPI
Northern Trust Management Services Limited	NTMSL	FRB, IDFP, PRA, FCA
The Northern Trust Company, Canada	TNTCC	FRB, OSFI
Northern Trust Global Services Limited	NTGSL	FRB, IDFP, PRA, FCA

Northern Trust Corporation

NTC (NASDAQ: NTRS) 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 FRB under the Bank Holding Company Act of 1956 as amended. In addition to supervision from the FRB, NTC is subject to supervision and regulation by the SEC.

As a financial holding company, NTC engages in no operating business activities. Accordingly, NTC's subsidiaries do not have significant operational dependency on it. NTC's principal business activities are to hold and manage investments in its subsidiaries and to raise funds through the public issuance of debt and equity securities. NTC uses the funding provided by its debt and equity issuances to (i) make investments in its subsidiaries, (ii) lend (or make advances) to its subsidiaries and (iii) maintain a portfolio of cash and investment securities for the liquidity needs of itself and its subsidiaries.

As of December 31, 2014, NTC had, on a consolidated basis, \$109.9 billion in assets, \$101.5 billion in liabilities, \$8.4 billion in stockholder equity and a 13.2% Tier 1 capital ratio under the Basel III Advanced Approach final rules. In 2014, NTC generated \$811.8 million in income on a consolidated basis.

The Northern Trust Company

TNTC was organized as an Illinois bank in 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 IDFP, the FDIC and the regulatory authorities of those states and countries in which a TNTC branch is located.

Through its 79 offices in 19 states and the District of Columbia and its foreign branch offices and subsidiaries in 20 international locations, TNTC has over 100,000 clients including high-net-worth individuals, family offices, corporations, institutions and governments. TNTC serves clients through the two core business lines: C&IS and WM.

As of December 31, 2014, TNTC and its subsidiaries and branches had total assets of \$109.6 billion, which comprised approximately 99.7% of Northern Trust's consolidated total assets, and total deposits of \$91.6 billion.

²Regulatory authority abbreviations: Board of Governors of the Federal Reserve System ("FRB"), Illinois Department of Financial & Professional Regulation ("IDFP"), Securities and Exchange Commission ("SEC"), Federal Deposit Insurance Corporation ("FDIC"), Consumer Financial Protection Bureau ("CFPB"), Prudential Regulation Authority ("PRA"), Financial Conduct Authority ("FCA"), Software Technology Parks of India ("STPI") and Office of the Superintendent of Financial Institutions ("OSFI").

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

TNTC London is TNTC's largest foreign branch and is included in TNTC's consolidated financial statements.

TNTC London provides banking, custody, fund administration and foreign exchange services primarily to institutional clients. The PRA and the FCA are the primary regulators for TNTC London and interact closely with TNTC's lead regulator, the FRB.

The majority of TNTC London client deposits originate from cash balances maintained in its clients' global custody accounts. These balances are primarily operational in nature, resulting from normal, recurring activities of clients. The main driver of balance sheet size comes from changing levels of client deposits, which are in turn related to the level of global custody assets serviced.

Northern Trust Management Services Limited ("NTMSL")

NTMSL is an indirect subsidiary of TNTC and is registered in England and Wales as an investment holding company. NTMSL holds no regulatory licenses, nor does it require authorizations to operate.

NTMSL provides personnel services to TNTC London and to Northern Trust's U.K.-based operating subsidiaries.

Northern Trust Global Services Limited ("NTGSL")

NTGSL is an indirect subsidiary of TNTC, incorporated in England and Wales, and authorized by the PRA to conduct banking activities. NTGSL provides banking and custody services primarily to institutional clients. The range of products and services provided by NTGSL are broadly the same as those offered by TNTC London, with the exception of certain services provided to U.K. funds, which are offered exclusively through NTGSL.

NTGSL is regulated by the PRA and the FCA.

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 not an insured deposit taking institution. NTI is regulated by the SEC and the IDFPF 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 other assets through wrap and model investment management services.

Northern Operating Services Private Limited ("NOS")

NOS is an indirect subsidiary of TNTC. It was incorporated in 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. NOS holds no regulatory licenses.

The Northern Trust Company, Canada ("TNTCC")

TNTCC is a subsidiary of TNTC and is a federal Canadian trust company with full trust powers, established in 1994.

TNTCC provides global trust and custody services in Canada. TNTCC is regulated by the Canadian financial and banking regulator, OSFI, and by TNTC's lead regulator, the FRB.

Interconnectedness Among Material Entities

A number of interconnections exist among Northern Trust’s material entities. Northern Trust has identified two categories of internal “interconnections”:

- Financial interconnections which include both the provision and receipt of funding, capital or other guarantees between or among two or more material entities; and
- Operational interconnections which include both the provision and receipt of shared services (e.g., shared corporate control and support services), asset servicing and asset management between two or more material entities.

The following chart highlights key examples of financial and operational interconnections.

Key Examples of Financial and Operational Interconnections

Material Entity Providing Service	Material Entity Receiving Service	Brief Description of Services Provided
NTC	TNTC and its subsidiaries	Serves as the primary legal entity that has access to the public and private markets to issue debt and equity, proceeds of which may be down-streamed to fund or capitalize TNTC (directly) or its subsidiaries (indirectly)
TNTC	NTC	Up-streams dividends from operating profits
NTMSL	NTGSL and TNTC London	Employs staff and provides technology and services to U.K. entities
NTI	TNTC and NTMSL	Provides asset management and related services
TNTC	TNTC’s subsidiaries	Provides services or support for corporate functions including treasury, financial and capital planning, controller, risk management, legal, human resources, corporate marketing, key MIS (e.g. data and technical platforms) and IT-related intellectual property
NOS	NTC, TNTC and its subsidiaries	Provides back-office processing and transaction-based business process outsourcing services

C. Description of Core Business Lines

For purposes of both the 165(d) and the IDI Resolution Plans, Northern Trust has two core business lines³: C&IS and WM.

Corporate & Institutional Services

C&IS is a leading global provider of asset servicing and related services including, but not limited to: global master trust and custody; investment management; employee benefits services; fund administration; investment operations outsourcing, investment risk and analytical services; securities lending; foreign exchange; banking; cash management; treasury management; brokerage services; and transition management services.

Client relationships are managed from locations in the Americas, EMEA and APAC. As of December 31, 2014, C&IS had assets under custody ("AUC") of \$5.5 trillion and assets under management ("AUM") of \$710 billion.

Wealth Management

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 \$516 billion in AUC and \$225 billion in AUM as of December 31, 2014.

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 (FRB) 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).

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

The table below provides a consolidated balance sheet of NTC.

Northern Trust Corporation Balance Sheet as of December 31, 2014

(USD amounts in millions)

Assets	
Cash and Due from Banks	\$ 3,050.6
Federal Funds Sold and Securities Purchased under Agreements to Resell	1,062.7
Interest-Bearing Deposits with Banks	14,928.3
Federal Reserve Deposits and Other Interest-Bearing	17,386.3
Securities	
Available for Sale	29,558.5
Held to Maturity (Fair Value of \$4,176.1)	4,170.8
Trading Account	4.7
Total Securities	33,734.0
Loans and Leases	
Commercial	14,353.6
Personal	17,286.6
Total Loans and Leases (Net of unearned income - \$287.7)	31,640.2
Allowance for Credit Losses Assigned to Loans and Leases	(267.0)
Buildings and Equipment	444.3
Client Security Settlement Receivables	1,568.8
Goodwill	533.2
Other Assets	5,865.1
Total Assets	\$ 109,946.5
Liabilities	
Deposits	
Demand and Other Noninterest-Bearing	\$ 22,815.0
Savings and Money Market	15,916.4
Savings Certificates and Other Time	1,757.4
Non-U.S. Offices - Noninterest-Bearing	2,723.2
- Interest-Bearing	47,545.0
Total Deposits	90,757.0
Federal Funds Purchased	932.9
Securities Sold under Agreements to Repurchase	885.1
Other Borrowings	1,685.2
Senior Notes	1,497.0
Long-Term Debt	1,615.1
Floating Rate Capital Debt	277.2
Other Liabilities	3,848.1
Total Liabilities	\$ 101,497.6
Stockholders' Equity	
Preferred Stock, No Par Value; Authorized 10,000,000 shares: Series C, Outstanding shares of 16,000	\$ 388.5
Common Stock, \$1.66 ² / ₃ Par Value; Authorized 560,000,000 shares; Outstanding shares of 233,390,705	408.6
Additional Paid-in Capital	1,050.9
Retained Earnings	7,626.4
Accumulated Other Comprehensive Loss	(319.7)
Treasury Stock (11,780,819 shares, at cost)	(704.8)
Total Stockholders' Equity	8,448.9
Total Liabilities and Stockholders' Equity	\$ 109,946.5

The table below provides a consolidated balance sheet for TNTC.

The Northern Trust Company Balance Sheet as of December 31, 2014

(USD amounts in millions)

Assets	
Cash and Due from Banks	\$ 3,023.2
Federal Funds Sold and Securities Purchased under Agreements to Resell	1,062.7
Interest-Bearing Deposits with Banks	14,927.8
Federal Reserve Deposits and Other Interest-Bearing	17,386.2
Securities	
Available for Sale	29,556.2
Held to Maturity	4,170.8
Total Securities	33,727.0
Loans and Leases	
Commercial	14,353.6
Personal	17,286.6
Total Loans and Leases (Net of unearned income - \$287.7)	31,640.2
Allowance for Credit Losses Assigned to Loans and Leases	(267.0)
Buildings and Equipment	440.3
Client Security Settlement Receivables	1,568.8
Goodwill	494.4
Other Assets	5,593.4
Total Assets	\$ 109,597.0
Liabilities	
Deposits	
Demand and Other Noninterest-Bearing	\$ 22,827.4
Savings and Money Market	16,784.7
Savings Certificates	1,757.4
Non-U.S. Offices - Noninterest-Bearing	2,723.6
- Interest-Bearing	47,545.0
Total Deposits	91,638.1
Federal Funds Purchased	932.9
Securities Sold under Agreements to Repurchase	885.1
Other Borrowings	1,720.8
Senior Notes	1,250.0
Long-Term Debt	1,849.7
Other Liabilities	3,714.2
Total Liabilities	\$ 101,990.8
Stockholders' Equity	\$ 7,606.2
Total Liabilities and Stockholders' Equity	\$ 109,597.0

More detailed financial information for NTC and TNTC can be found on Northern Trust's website www.northerntrust.com/about-northern-trust

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, financial counterparties, 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 consolidated basis and on an entity-level basis. The Treasury department has the day-to-day responsibility for measuring and managing capital levels within goals and targets established by the NTC and TNTC Capital Management Policy and the Board of Directors. The management of capital also involves regional management when appropriate. In establishing these metrics for the management of capital, a variety of factors are taken into consideration, including the overall risk of Northern Trust's businesses, regulatory requirements, capital levels relative to its peers, and the impact on its credit ratings.

Northern Trust strives to maintain capital against unexpected losses that could threaten solvency and estimates this through its stress testing program. Under non-stressed conditions, Northern Trust strives to hold capital, both on a consolidated and entity-level basis, at such a level that can withstand a severe stress and still maintain ready access to funding, meet obligations to creditors and other counterparties and continue to serve as a credit intermediary.

Stress testing analysis is performed globally across Northern Trust's business units and legal entities to assess Northern Trust's overall capital adequacy in relation to its risk profile and 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.

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 metrics that consider regulatory requirements and the results of the capital adequacy assessment process and recommends these to NTC's and TNTC's Board of Directors for approval.

In accordance with Basel III requirements in effect at December 31, 2014, capital ratios are calculated using both the standardized and advanced approaches. For each ratio, the lower of the result calculated under the standardized approach and the advanced approach serves as the effective ratio for purposes of determining capital adequacy. The following table shows NTC's and TNTC's common stockholders' equity to total risk-based capital and their respective risk-based capital ratios, under the applicable U.S. regulatory rules as of December 31, 2014. As of December 31, 2014, all capital ratios of NTC and TNTC applicable for classification as "well capitalized" under U.S. regulatory requirements exceeded all "well capitalized" ratio guidelines.

Risk-Based and Leverage Ratios as of December 31, 2014

(In Millions in USD)	Advanced Approach (1)		Standardized Approach (2)	
	Balance	Ratio	Balance	Ratio
Common Equity Tier 1 Capital				
Northern Trust Corporation	7,813	12.4%	7,813	12.5%
The Northern Trust Company	7,327	12.0%	7,327	11.8%
Minimum to qualify as "well capitalized"	N/A	N/A	N/A	N/A

Tier 1 Capital				
Northern Trust Corporation	8,318	13.2%	8,318	13.3%
The Northern Trust Company	7,327	12.0%	7,327	11.8%
Minimum to qualify as "well capitalized":				
Northern Trust Corporation	3,774	6.0%	3,759	6.0%
The Northern Trust Company	3,666	6.0%	3,738	6.0%

Total Capital				
Northern Trust Corporation	9,449	15.0%	9,723	15.5%
The Northern Trust Company	8,420	13.8%	8,695	14.0%
Minimum to qualify as "well capitalized":				
Northern Trust Corporation	6,290	10.0%	6,265	10.0%
The Northern Trust Company	6,110	10.0%	6,230	10.0%

Leverage (Tier 1 Capital to Adjusted Average Fourth Quarter Assets)				
Northern Trust Corporation	N/A	N/A	8,318	7.8%
The Northern Trust Company	N/A	N/A	7,327	6.9%
Minimum to qualify as "well capitalized":				
Northern Trust Corporation	N/A	N/A	5,341	5.0%
The Northern Trust Company	N/A	N/A	5,325	5.0%

(1) Effective with the second quarter of 2014, Northern Trust exited its parallel run. Accordingly, the December 31, 2014, capital balances and ratios are calculated in compliance with the Basel III Advanced Approach final rules released by the Federal Reserve Board on July 2, 2013.

(2) Standardized Approach capital components in 2014 are determined by Basel III phased-in requirements and risk-weighted assets are determined by Basel I requirements. The December 31, 2014, ratios calculated under the Standardized Approach comply with the final rules released by the Federal Reserve Board on July 2, 2013.

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. These short-term assets, including cash and cash equivalents, deposit placements, and securities available for sale, make up the primary sources of Northern Trust's liquidity. The primary objective for liquidity risk management is to ensure that Northern Trust's cash flow obligations under Baseline, Adverse, and Severely Adverse economic conditions can be met while not inhibiting Northern Trust's ability to service effectively clients and participate in business opportunities in a timely and cost effective manner. Northern Trust manages its liquidity under a global risk management framework, incorporating regional policies, limits and management when appropriate. This single set of policies, standards and processes provides for consistency across businesses, stability in methodologies and transparency of risk.

The following table outlines the governance structure for liquidity risk management that is currently in place.

Northern Trust Global Risk Management Framework

Governance Component	Description of Responsibilities
Board of Directors	<ul style="list-style-type: none"> * Establishes Northern Trust's risk appetite, including with respect to liquidity risk. * Approves the Liquidity Management Policy establishing the principles and guidelines for Northern Trust to govern the processes and activities for the management of its liquidity position.
Business Risk Committee of the Board	<ul style="list-style-type: none"> * Responsible for the risk management policies of Northern Trust's global operations and oversight of the operations of Northern Trusts global risk-management framework including with respect to liquidity risk. * Approves annually Northern Trust's contingent funding plan, setting out strategies for addressing liquidity needs during liquidity stress events.
Asset and Liability Management Policy Committee	<ul style="list-style-type: none"> * Responsible for recommending liquidity policies to the Board of Directors or Business Risk Committee, as and if applicable. * Establishes internal liquidity thresholds. * Assesses Northern Trust's overall liquidity status. * Reviews reports, including liquidity stress test results, cash flows and other analyses.
Market and Liquidity Risk Committee	<ul style="list-style-type: none"> * Provides additional detailed oversight of liquidity related policies and analysis. * Reviews and approves subsidiary liquidity policies and stress test results.
Subsidiary Boards and Regional Management	<ul style="list-style-type: none"> * Review, approve and monitor subsidiary liquidity positions, policies, contingency plans and stress test results.
Treasury Department	<ul style="list-style-type: none"> * Has the day-to-day responsibility for measuring, analyzing and managing liquidity risk within the thresholds and limits established by ALCO and the Board of Directors.

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'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 custody assets. 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 many U.S. bank holding companies.

E. 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.

F. Memberships in Material Payment, Clearing and Settlement Systems

Northern Trust utilizes payment, clearing and settlement systems or FMUs to conduct and complete financial transactions globally. 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, 2014

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 Company ("DTC")	TNTC
	National Securities Clearing Corporation ("NSCC")	TNTC
	Continuous Linked Settlement ("CLS")	TNTC (through TNTC London)
	Canadian Depository for Securities, Inc. ("CDS")	TNTCC
	Certificateless Registry for Electronic Share Transfer ("CREST")	TNTC
	Euroclear Bank	TNTC (through TNTC London)
Messaging Utility	The Society of Worldwide Interbank Financial Telecommunication ("SWIFT")	TNTC

G. Description of Foreign Operations

As of December 31, 2014, in addition to its U.S. locations Northern Trust had a network of offices in 20 international locations in Canada, EMEA and APAC. Approximately 3,000 employees are employed in EMEA and approximately 4,000 are employed in APAC.

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

H. 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 FRB.

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, also is subject to Illinois state laws and regulations and to examination and supervision by the Division of Banking of the IDFP. 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 U.S. 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.

TNTC is registered provisionally with the U.S. Commodity Futures Trading Commission ("CFTC") under the Commodity Exchange Act as a swap dealer. As a provisionally registered swap dealer, TNTC is subject to significant regulatory obligations regarding swap activity and the supervision, examination and enforcement power of the CFTC and other regulators. Certain of NTC's other affiliates are registered with the CFTC as commodity trading advisors or commodity pool operators under the Commodity Exchange Act and are subject to that act and the associated rules and regulations of the CFTC.

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 that are subject to regulation by the SEC under the Investment Company Act of 1940.

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.

I. Principal Officers

The following tables list the principal officers of NTC and TNTC as of December 15, 2015, all of whom are appointed by the Board of Directors.

Principal Officers of NTC

Name	Position
Frederick H. Waddell	Chairman of the Board and Chief Executive Officer
S. Biff Bowman	Executive Vice President and Chief Financial Officer
Robert P. Browne	Executive Vice President and Chief Investment Officer
Peter B. Cherecwich	Executive Vice President and Head of Global Fund Services
Jeffrey D. Cohodes	Executive Vice President and Chief Risk Officer
Steven L. Fradkin	Executive Vice President and President, Wealth Management
Jane B. Karpinski	Senior Vice President and Controller
Susan C. Levy	Executive Vice President and General Counsel
William L. Morrison	President
Michael G. O'Grady	Executive Vice President and President, Corporate and Institutional Services
Gill Pembleton	Executive Vice President, Human Resources
Stephen N. Potter	Executive Vice President and President of Asset Management
Jana R. Schreuder	Executive Vice President and Chief Operating Officer
Joyce M. St. Clair	Executive Vice President and Chief Capital Management Officer

Principal Officers of TNTC

Name	Position
Frederick H. Waddell	Chairman of the Board, Chief Executive Officer and President
S. Biff Bowman	Executive Vice President and Chief Financial Officer
Robert P. Browne	Executive Vice President and Chief Investment Officer
Peter B. Cherecwich	Executive Vice President and Head of Global Fund Services
Jeffrey D. Cohodes	Executive Vice President and Chief Risk Officer
Steven L. Fradkin	Executive Vice President and President, Wealth Management
Jane B. Karpinski	Senior Vice President and Controller
Susan C. Levy	Executive Vice President and General Counsel
William L. Morrison	Executive Vice President
Michael G. O'Grady	Executive Vice President and President, Corporate and Institutional Services
Gill Pembleton	Executive Vice President, Human Resources
Stephen N. Potter	Executive Vice President and President of Asset Management
Jana R. Schreuder	Executive Vice President and Chief Operating Officer
Joyce M. St. Clair	Executive Vice President and Chief Capital Management Officer

J. Resolution Planning Corporate Governance Structure and Processes

The implementation of a strong and comprehensive resolution planning governance structure and associated process controls has been a priority for Northern Trust.

Governance of Resolution Planning is currently embedded in Northern Trust's global risk management framework. A comprehensive process to develop, review and maintain the Resolution Plans was established and associated controls have been implemented to ensure proper governance. The Resolution Office, which is led by the Head of Resolution Planning, a senior officer in Northern Trust Risk Management, was established to be accountable for and provide leadership in the development and maintenance of the resolution planning process. The Resolution Office consists of the Head of Resolution Planning and representatives across the organization in the Risk Management, Legal, Compliance, Corporate Communications, Finance and the core business lines of C&IS and WM. The Resolution Office is responsible for the ongoing enhancement and maintenance of the Resolution Plans, including incorporation of new regulatory guidance and feedback. In addition to the Resolution Office, the following bodies are integral components of Northern Trust's resolution planning oversight and governance structure

Board of Directors

The Board of Directors of NTC and TNTC has ultimate responsibility for reviewing and approving the Resolution Plans and ensuring that sufficient resources are allocated to the preparation and maintenance of the Resolution Plans.

Management Group/Global Enterprise Risk Committee ("GERC")

The Management Group and the Global Enterprise Risk Committee ("GERC") are responsible for reviewing and recommending approval of the Resolution Plans to the Board of Directors of NTC and TNTC. The Management Group is the senior-most executive group for both NTC and TNTC and as such provides strategic oversight with respect to resolution planning. GERC consists of the executive management team of Northern Trust together with the General Auditor and is responsible for overseeing and guiding the management of all categories of risk within Northern Trust.

Resolution Plan Council ("Council")

The Council is responsible for providing oversight to the development and execution of Northern Trust's Resolution Plans. The Council reviews and provides advice on recommendations made by the Resolution Office with regard to all key aspects of the Resolution Plans including, for example, the designation of each material entity and core business line as well as the resolution strategies. Members are determined at the discretion of senior management and currently include the following: Treasurer, C&IS Chief Operating Officer, WM Chief Operating Officer, Asset Management Chief Operating Officer, Enterprise Operations Regional Executive, Risk Management Chief Operating Officer, Chief Compliance Officer, Chief Technology Officer, Chief Risk Officer - EMEA, Regional Executive - EMEA, Regional Executive - APAC, Regional Executive - APAC Operations, the Chief Strategy and Marketing Officer, Head of HR Strategy and Change, and representatives from the Legal department.

Executive Sponsor

The Executive Sponsor is the Head of Resolution Planning and 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, the FDIC and other regulatory authorities as required.

K. 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 material entities, core business lines and critical operations. 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, TNTC's and each business unit's performance against 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 plans for each of its departments and supporting technology platforms. These plans include detailed application of 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.

Northern Trust recognizes the need for a robust MIS infrastructure to aid in resolution planning and execution. Systems are critical for successful plan development, as they provide accurate data and analysis to create an informed plan, as well as reporting and oversight capabilities for execution of the plan. Northern Trust's current MIS infrastructure increases its resolvability and reduces resolution plan execution risk.

L. High-Level Description of Resolution Strategy

The Resolution Plans are designed to provide for the rapid and orderly resolution of NTC and TNTC, including their respective subsidiaries, in a manner that would not have an adverse effect on financial stability in the United States while also meeting the following conditions and goals:

- provide TNTC depositors access to insured deposits within one business day of failure;
- do not rely on any use of extraordinary support from the U.S. (or any other) government;
- minimize loss of franchise value;
- maximize recovery to creditors; and
- are executable under a wide range of economic scenarios, including the Severely Adverse scenario.

The Resolution Plans describe multiple strategies for resolving NTC and TNTC that meet all of the above conditions and goals.

The 165(d) rule requires that NTC, as a financial holding company, be resolved under a U.S. bankruptcy proceeding. Because TNTC is NTC's primary operating subsidiary and represents most of its assets and earnings, very shortly after the failure of TNTC, NTC would enter bankruptcy. NTC's assets, aside from its ownership of TNTC, would be sold or liquidated.

The Resolution Plan for TNTC under the IDI rule incorporates the FDIC's Guidance for Covered Insured Depository Institution Resolution Plans, published in December 2014 (the "December Guidance"). Under the December Guidance, the IDI plan is required to include the evaluation of several resolution options including a liquidation with a payoff of insured depositors and a multiple acquirer strategy. Per the December Guidance, TNTC's Resolution Plan provides an analysis that compares the likely cost to the DIF of each of the resolution options evaluated.

The Resolution Plans document several resolution options that were evaluated, each of which incorporates the required assumptions under the IDI rule and the December Guidance, including that TNTC would become insolvent, fail and be placed into receivership. Several of the resolution options, including the strategy that is least costly to the DIF and thus the preferred resolution strategy for TNTC, include the sale of most businesses, operations, assets and/or customer deposits that would remain after TNTC's failure. TNTC's preferred resolution strategy relies on the creation of a bridge bank to stabilize certain operations until the strategy can be executed in an orderly fashion.

All of Northern Trust's material entities other than NTC are directly or indirectly owned by TNTC and would be resolved together with the TNTC business or operations that are conducted within those entities.

The Resolution Plans identify a large number of potential acquirers for the businesses and operations that would remain after the failure of TNTC. The Plans demonstrate the capacity of potential acquirers to complete an acquisition together with the rationale that would drive their interest in such transactions.

The resolution scenarios analyzed include a Whole Bank Sale, Multiple Acquirer, Whole Bank Wind Down, Initial Public Offering ("IPO") and Liquidation, which are summarized in the below table. The IPO and Liquidation scenarios are not part of Northern Trust's preferred resolution strategies as they would not provide optimal recovery for creditors of NTC and would not facilitate the Resolution Plans' goal of minimizing adverse effects on financial stability in the United States.

Resolution Scenarios Analyzed by Northern Trust

Resolution Scenario		Description
Northern Trust Resolution Strategies	Whole Bank Sale	TNTC, including its branches and subsidiaries, enters into an FDIC receivership and is sold via a Purchase and Assumption ("P&A") from receivership to the TNTC Bridge Bank created by the FDIC over Resolution Weekend. The stock of the TNTC Bridge Bank is subsequently sold to a single third party acquirer. NTC enters Chapter 11 Proceedings and is liquidated.
	Multiple Acquirer Strategy	TNTC, including its branches and subsidiaries, enters into an FDIC receivership. Certain CBL assets and liabilities are sold from receivership over the Resolution Weekend to a single acquirer, which enters into a Transition Service Agreement ("TSA") with the TNTC Bridge Bank for services. The remaining assets and liabilities are transferred via a P&A to the TNTC Bridge Bank created by the FDIC over Resolution Weekend. The remaining assets and liabilities are subsequently sold from the TNTC Bridge Bank to a different acquirer via a P&A. This acquirer assumes the TSAs if the acquirer is still reliant on the TSAs. NTC enters Chapter 11 Proceedings and is liquidated.
	Whole Bank Wind Down	TNTC, including its branches and subsidiaries, enters into an FDIC receivership and is sold via a P&A from the receivership to the TNTC Bridge Bank created by the FDIC over Resolution Weekend. TNTC services, including in its branches and subsidiaries, continue to operate to support the wind down, including the transfer of client accounts, but are otherwise wound down themselves. NTC enters Chapter 11 Proceedings and is liquidated.
Other Resolution Scenarios Considered	IPO	TNTC, including its branches and subsidiaries, enters into an FDIC receivership. Certain CBL assets and liabilities are sold from receivership over the Resolution Weekend to a single acquirer, which enters into a TSA with the TNTC Bridge Bank for services. The remaining assets and liabilities are transferred via a P&A to the TNTC Bridge Bank created by the FDIC over Resolution Weekend. The FDIC contributes shares of TNTC Bridge Bank to a newly created holding company, making the holding company a bank holding company and hires an investment bank to underwrite and IPO New Northern Trust. NTC enters Chapter 11 Proceedings and is liquidated.
	Liquidation	At the Point of Non-Viability, TNTC enters into an FDIC receivership and all banking activities cease. The FDIC transfers insured deposits to a temporary FDIC-created deposit insurance national bank ("DINB") and begins the process to transfer the insured deposits from the DINB to other financial institutions. The remaining assets are wound down or liquidated out of the FDIC receivership. NTC enters Chapter 11 Proceedings and is liquidated.