

## Northern Trust Corp (NTRS)

**\$139.46** (Stock Price as of 12/19/2025)

Price Target (6-12 Months): **\$145.50**

Long Term: 6-12 Months | **Zacks Recommendation:** **Neutral**  
(Since: 09/09/25)  
Prior Recommendation: Outperform

Short Term: 1-3 Months | **Zacks Rank:** (1-5) **3-Hold**  
Zacks Style Scores: VGM: B  
Value: C | Growth: B | Momentum: A

### Summary

Shares of Northern Trust have outperformed the industry in the past six months. Its earnings surpassed estimates in the trailing four quarters. The recent three consecutive Fed rate cuts are expected to support net interest income (NII) and loan growth. The partnership with Hamilton Lane improves client access to private market data through Cobalt LP. Also, its CloudMargin upgrade boosts automation, transparency, and global reach for institutional investors. The disciplined headcount management and automation initiatives are likely to improve its productivity. Its solid liquidity position will aid the capital distribution activities. Yet, its rising expenses due to higher compensation and ongoing investments in technology infrastructure remain a concern. Amid volatile equity markets, a reduction in transaction volume may weigh on earnings performance.

### Data Overview

52 Week High-Low	\$140.75 - \$81.62
20 Day Average Volume (sh)	1,027,203
Market Cap	\$26.4 B
YTD Price Change	36.1%
Beta	1.27
Dividend / Div Yld	\$3.20 / 2.3%
Industry	<a href="#">Banks - Major Regional</a>
Zacks Industry Rank	Top 24% (57 out of 243)

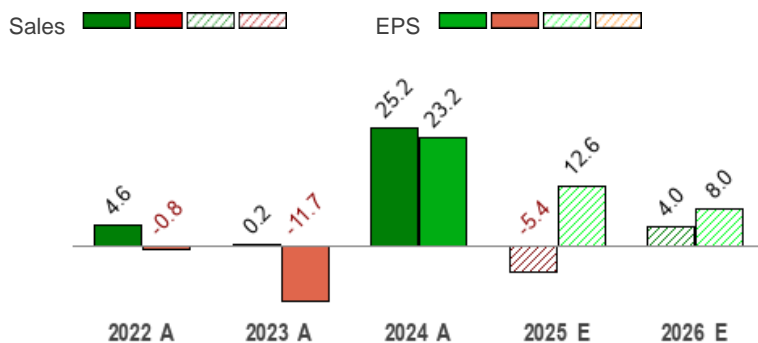
Last EPS Surprise	1.3%
Last Sales Surprise	-0.8%
EPS F1 Est- 4 week change	0.0%
Expected Report Date	01/22/2026
Earnings ESP	2.9%

P/E TTM	16.3
P/E F1	16.1
PEG F1	1.6
P/S TTM	1.8

### Price, Consensus & Surprise<sup>(1)</sup>



### Sales and EPS Growth Rates (Y/Y %)<sup>(1)</sup>



### Sales Estimates (millions of \$)<sup>(1)</sup>

	Q1	Q2	Q3	Q4	Annual*
2026	2,069 E	2,106 E	2,121 E	2,142 E	8,425 E
2025	1,940 A	1,998 A	2,025 A	2,068 E	8,026 E
2024	1,647 A	2,715 A	1,969 A	1,960 A	8,480 A

### EPS Estimates<sup>(1)</sup>

	Q1	Q2	Q3	Q4	Annual*
2026	2.14 E	2.40 E	2.43 E	2.53 E	9.44 E
2025	1.90 A	2.13 A	2.29 A	2.36 E	8.67 E
2024	1.70 A	1.78 A	1.96 A	2.26 A	7.70 A

\*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 12/19/2025.

(2) The report's text and the price target are as of 12/11/2025.

## Overview

Headquartered in Chicago, Northern Trust Corporation provides services from sovereign wealth funds to the wealthiest families. The company is a leading provider of wealth management, asset servicing, asset management and banking solutions to corporations, institutions, families, and individuals.

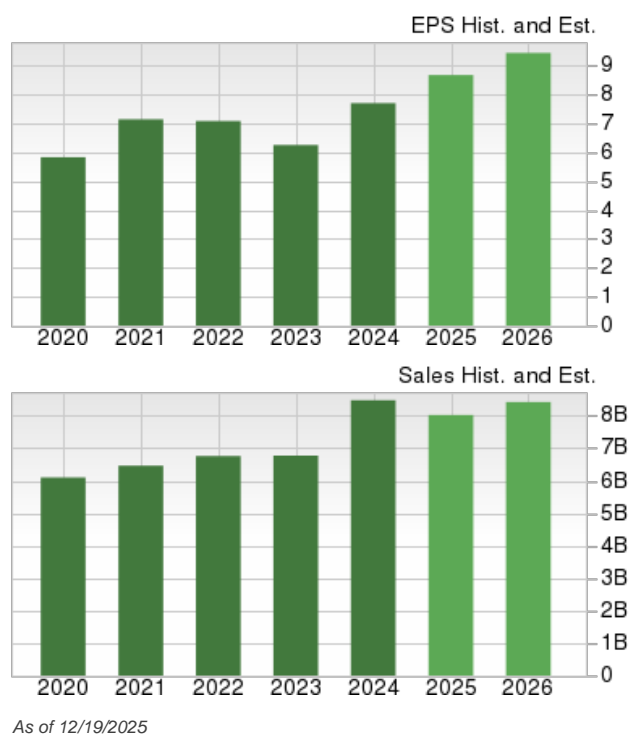
Its main sources of revenue are two client-focused segments — Wealth Management (WM) and Asset Servicing (AS), previously known as the Corporate and Institutional Services segment. Asset management and related services to WM and AS clients are provided primarily by the Asset Management business.

The AS unit provides asset servicing, asset management and related services to clients, including corporate and public retirement funds, foundations and government funds; commercial banking services to large and mid-sized corporations and financial institutions; and foreign exchange services.

The WM division delivers customized investment management and trust services to high-net-worth individuals and families across 18 states of North America and Washington, DC, as well as offices in London and Guernsey.

In November 2018, Northern Trust acquired Chicago-based BEx LLC — a foreign exchange software solutions provider — for \$37.6 million to strengthen its Global Foreign Exchange business. In June 2018, Northern Trust completed the acquisition of Citadel's Omnium Technology Platform. In 2017, Northern Trust acquired UBS Asset Management's fund administration servicing units in Luxembourg and Switzerland.

As of Sept. 30, 2025, the company had total assets worth \$170.3 billion, AUM of \$1.77 trillion and AUC of \$18.2 trillion.



---

## Reasons To Buy:

- ▲ Organic growth is Northern Trust's key strength, as reflected by its revenue and loan growth story. Revenues witnessed a compound annual growth rate (CAGR) of 7.8% over the last four years (2020-2024), driven by rising non-interest income and net interest income (NII), with some annual volatility. Total revenues declined year over year in the same period. The company's loan and lease balance witnessed a CAGR of 6.7% in the last four years (ending 2024), with the rising trend continuing in the first nine months of 2025. Going forward, as the client base continues to expand, the company expects to see a rebound in loan activity, particularly as its wealth management services attract more clients. In 2025, the Federal Reserve has delivered three rate cuts, bringing the federal funds rate to the 3.50%–3.75% range. With rates now lower, borrowing costs are expected to decline, supporting stronger loan demand. The launch of Family Office Solutions in April 2025, targeting ultra-high-net-worth clients, offers tailored investment and advisory services and complements Northern Trust's GFO business.
- ▲ Northern Trust has taken measures to reinstate its operating leverage over the upcoming quarters. The company is focused on disciplined headcount management, vendor consolidation, rationalization of its real estate footprint, and process automation. Through such efforts, the company will likely improve productivity and meet its financial targets. The ultimate measure of the success of the company's past efforts was its ability to consistently achieve its financial target of a return on equity (ROE) between 10% and 15%. In the third quarter of 2025, the company reported its fifth consecutive quarter of positive operating leverage and achieved an ROE of 14.8%, signaling progress toward sustainable profitability goals.
- ▲ As of Sept. 30, 2025, Northern Trust's total debt (comprising long-term debt and other borrowings) was \$10.7 billion. The Federal Reserve and other Central Bank deposits totaled \$49.3 billion as of the same date. The higher level of liquid assets compared with the company's obligations makes the debt levels seem manageable. Given the solid liquidity position, we believe the company is well-positioned to consistently meet debt obligations in the near term, even if the economic situation worsens.
- ▲ Northern Trust's capital distributions seem impressive. Post-clearing the Federal Reserve's 2025 stress test, the company raised its dividend 6.7% to 80 cents per share. In October 2021, the company announced a 25-million share repurchase program with no expiration date. As of Sept. 30, 2025, 3.2 million shares were available under the plan. Management expects to continue a similar level of share repurchase activity in the upcoming quarters. Its favorable debt-to-equity ratio compared to the broader industry, along with strong liquidity, highlights the fact that such capital-distribution activities are sustainable in the future.
- ▲ Shares of Northern Trust have outperformed the industry in the past year. The company's 2025 earnings estimates have remained unchanged over the past 30 days. Given solid fundamentals, the stock has decent upside potential in the near term.

Northern Trust's rising revenues are aided by steady loan growth. Expense management initiatives assist in improving its operating leverage. Decent liquidity aids capital distribution activities.

---

## Reasons To Sell:

- ▼ The company has been recording a steady rise in expenses. Non-interest expenses witnessed a CAGR of 6.7% over the last four years (2020-2024). Though the metric inched down slightly year over year in the first nine months of 2025, it is expected to remain high on rising compensation as well as continued investment in equipment and software expenses to further modernize its technology infrastructure and enhance resiliencies.
- ▼ Northern Trust runs a global business. Changing conditions of the global financial markets and general economic conditions could affect the company's business. Despite management's efforts to grow capital markets business such as securities commissions, trading, and FX income, improving economic conditions may take time to revive demand for trust and investment services. Amid volatile equity markets, a reduction in transaction volumes might affect earnings in the coming quarters.
- ▼ Northern Trust's trailing 12-month return on equity (ROE) undercuts its growth potential. The company's ROE of 14.37% compares unfavorably with that of the S&P 500's 17.00%, highlighting that it is less efficient in using shareholders' funds.

Rising costs are likely to hurt Northern Trust's bottom-line growth in the near term. The uncertain global financial market and weak economic conditions could affect the bank's businesses.

## Last Earnings Report

### NTRS Q3 Earnings Beat on Higher NII & AUM Growth Despite Rising Costs

Northern Trust's third-quarter 2025 earnings per share (EPS) of \$2.29 beat the Zacks Consensus Estimate of \$2.26. In the prior-year quarter, the company reported an EPS of \$2.22.

NTRS results benefited from a rise in net interest income. Also, an increase in total assets under custody and assets under management balances supported the financials. However, elevated expenses and reduced other fee income were concerning.

Net income (GAAP basis) was \$457.6 million, down 1.6% from the prior-year quarter.

**FY Quarter Ending** **12/31/2024**

Earnings Reporting Date	Oct 22, 2025
Sales Surprise	-0.76%
EPS Surprise	1.33%
Quarterly EPS	2.29
Annual EPS (TTM)	8.58

### Revenues & Expenses Rise

Quarterly total revenues (GAAP basis) of \$2.02 billion increased 2.8% year over year. However, the top line missed the Zacks Consensus Estimate by nearly 1%.

NII on a fully taxable equivalent basis was \$596.3 million in the quarter under review, up 4.7% year over year. The net interest margin was 1.70%, up 2 basis points from the prior-year quarter.

Trust, investment and other servicing fees totaled \$1.26 billion, up 5.7% year over year.

Other non-interest income decreased 19.3% to \$169.1 million from the year-ago quarter. The decline was driven by a decrease in other operating income.

Non-interest expenses rose 4.7% year over year to \$1.42 billion in the reported quarter. The rise primarily stemmed from an elevation in all components except for outside services and other operating expenses.

### AUC & AUM Rise

As of Sept. 30, 2025, Northern Trust's total AUC increased 4.7% year over year to \$14.4 trillion. Also, total AUM rose 9.3% year over year to \$1.8 trillion.

### Credit Quality: Mixed Bag

Total allowance for credit losses was \$206.7 million, down 6% year over year.

Total non-accrual assets increased to \$78.8 million as of Sept. 30, 2025, from \$73.1 million in the year-ago period. NTRS reported provision benefits of \$17 million in the third quarter compared with a provision for credit losses of \$8 million in the year-ago quarter.

### Capital & Profitability Ratios Decline

Under the Standardized Approach, as of Sept. 30, 2025, the Common Equity Tier 1 capital ratio was 12.4%, down from 12.6% in the prior-year quarter. The total capital ratio was 15.1%, down from 15.6% in the year-ago quarter. The Tier 1 leverage ratio was 8.0%, down from 8.1% in the prior-year quarter.

The return on average common equity was 14.8% compared with the year-earlier quarter's 15.4%.

### Capital Distribution Activities

In the reported quarter, Northern Trust returned \$431.3 million to shareholders through share repurchases and dividends.

## Recent News

### Dividend Update

On Oct. 21, 2025, Northern Trust announced a quarterly dividend of 80 cents per share on its common stock. This dividend will be paid out on Jan. 1, 2026, to its shareholders of record as of Dec. 5, 2025.

## Valuation

Northern Trust shares are up 31.6% in the past six months and up 19.7% over the trailing 12-month period. Stocks in the Zacks sub-industry are up 18.6% and those in the Zacks Finance sector are up 11.0% over the past six-month period. Over the past year, the Zacks sub-industry and sector are up 0.1% and 10.1%, respectively.

The S&P 500 Index is up 24.5% in the past six months while up 17.8% in the trailing 12-month period.

The stock is currently trading at 14.75X forward 12-month earnings, which compares to 12.19X for the Zacks sub-industry, 17.29X for the Zacks sector, and 23.61X for the S&P 500 Index.

Over the past five years, the stock has traded as high as 17.68X and as low as 10.08X, with a five-year median of 13.27X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$145.50 price target reflects 15.60X forward earnings.

The table below shows summary valuation data for NTRS.

Valuation Multiples - NTRS					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	14.75	12.19	17.29	23.61
	5-Year High	17.68	13.01	18.28	23.78
	5-Year Low	10.08	7.24	12.37	15.73
	5-Year Median	13.27	11.04	16.12	21.21
P/TB TTM	Current	2.31	2.60	5.99	12.95
	5-Year High	2.67	3.23	6.03	16.57
	5-Year Low	1.27	1.84	3.44	10.52
	5-Year Median	1.96	2.36	4.74	13.65
P/S F12M	Current	3.13	3.66	9.07	5.34
	5-Year High	4.04	3.87	10.06	5.50
	5-Year Low	1.86	1.90	6.68	3.83
	5-Year Median	2.72	3.02	8.39	5.05

As of 12/10/2025

Source: Zacks Investment Research

## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Top 24% (57 out of 243)



## Top Peers<sup>(1)</sup>

Company (Ticker)	Rec	Rank
The Bank of New York... (BK)	Neutral	3
BankUnited, Inc. (BKU)	Neutral	3
Comerica Incorporate... (CMA)	Neutral	3
Fifth Third Bancorp (FITB)	Neutral	3
KeyCorp (KEY)	Neutral	2
M&T Bank Corporation (MTB)	Neutral	3
The PNC Financial Se... (PNC)	Neutral	3
State Street Corpora... (STT)	Neutral	3

## Industry Comparison<sup>(1)</sup> Industry: Banks - Major Regional

	NTRS	X Industry	S&P 500	FITB	KEY	MTB
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	2	3
VGM Score	B	-	-	B	F	F
Market Cap	26.37 B	31.63 B	38.78 B	31.62 B	22.93 B	31.63 B
# of Analysts	7	8	22	10	10	7
Dividend Yield	2.29%	3.07%	1.39%	3.35%	3.91%	2.92%
Value Score	C	-	-	B	C	B
Cash/Price	2.22	0.71	0.04	0.68	0.71	0.59
EV/EBITDA	-3.24	6.46	14.61	5.74	17.92	6.00
PEG Ratio	1.58	1.04	2.19	0.97	0.63	0.98
Price/Book (P/B)	2.18	1.49	3.32	1.64	1.31	1.20
Price/Cash Flow (P/CF)	12.15	11.68	15.20	10.80	15.70	10.88
P/E (F1)	16.21	13.30	19.70	13.55	14.20	12.32
Price/Sales (P/S)	1.84	2.05	3.10	2.45	2.23	2.39
Earnings Yield	6.22%	7.52%	5.07%	7.38%	7.05%	8.12%
Debt/Equity	0.58	0.70	0.56	0.71	0.62	0.49
Cash Flow (\$/share)	11.47	5.65	8.99	4.43	1.34	18.91
Growth Score	B	-	-	C	F	F
Hist. EPS Growth (3-5 yrs)	4.56%	1.21%	8.16%	2.74%	-13.52%	6.25%
Proj. EPS Growth (F1/F0)	12.60%	15.45%	8.50%	4.75%	27.59%	12.30%
Curr. Cash Flow Growth	14.38%	-3.37%	6.86%	-2.24%	-8.86%	-4.50%
Hist. Cash Flow Growth (3-5 yrs)	2.44%	1.01%	7.43%	2.85%	-9.13%	7.07%
Current Ratio	0.70	0.83	1.19	0.82	0.83	0.97
Debt/Capital	34.89%	40.00%	38.01%	39.32%	35.19%	31.03%
Net Margin	11.99%	14.45%	12.78%	18.67%	10.08%	20.91%
Return on Equity	14.37%	12.02%	17.00%	13.41%	10.14%	10.62%
Sales/Assets	0.09	0.06	0.53	0.06	0.06	0.06
Proj. Sales Growth (F1/F0)	-5.40%	5.36%	5.81%	6.40%	15.40%	4.30%
Momentum Score	A	-	-	C	A	F
Daily Price Chg	0.82%	0.49%	0.88%	0.36%	0.19%	1.06%
1 Week Price Chg	0.68%	0.52%	0.10%	-0.66%	1.55%	0.97%
4 Week Price Chg	9.70%	11.24%	3.51%	12.75%	17.73%	9.13%
12 Week Price Chg	4.61%	9.18%	2.87%	5.28%	11.06%	2.84%
52 Week Price Chg	36.08%	20.83%	15.24%	11.41%	22.76%	8.62%
20 Day Average Volume	1,027,203	2,757,780	3,013,825	6,452,537	16,739,666	974,757
(F1) EPS Est 1 week change	0.02%	0.00%	0.00%	0.00%	0.08%	-0.09%
(F1) EPS Est 4 week change	0.05%	0.04%	0.00%	0.03%	0.35%	-0.09%
(F1) EPS Est 12 week change	1.54%	2.46%	0.69%	0.70%	2.72%	1.26%
(Q1) EPS Est Mthly Chg	0.37%	0.14%	0.00%	-0.06%	1.21%	-0.42%



## Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

### Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

### Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

### Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	C
Growth Score	B
Momentum Score	A
VGM Score	B

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

## Disclosures

**This report contains independent commentary to be used for informational purposes only. The analysts contributing to this report do not hold any shares of this stock. The analysts contributing to this report do not serve on the board of the company that issued this stock. The EPS and revenue forecasts are the Zacks Consensus estimates, unless otherwise indicated in the report's first-page footnote.** Additionally, the analysts contributing to this report certify that the views expressed herein accurately reflect the analysts' personal views as to the subject securities and issuers. ZIR certifies that no part of the analysts' compensation was, is, or will be, directly or indirectly, related to the specific recommendation or views expressed by the analyst in the report.

Additional information on the securities mentioned in this report is available upon request. This report is based on data obtained from sources we believe to be reliable, but is not guaranteed as to accuracy and does not purport to be complete. Any opinions expressed herein are subject to change.

ZIR is not an investment advisor and the report should not be construed as advice designed to meet the particular investment needs of any investor. Prior to making any investment decision, you are advised to consult with your broker, investment advisor, or other appropriate tax or financial professional to determine the suitability of any investment. This report and others like it are published regularly and not in response to episodic market activity or events affecting the securities industry.

This report is not to be construed as an offer or the solicitation of an offer to buy or sell the securities herein mentioned. ZIR or its officers, employees or customers may have a position long or short in the securities mentioned and buy or sell the securities from time to time. ZIR is not a broker-dealer. ZIR may enter into arms-length agreements with broker-dealers to provide this research to their clients. Zacks and its staff are not involved in investment banking activities for the stock issuer covered in this report.

ZIR uses the following rating system for the securities it covers. **Outperform-** ZIR expects that the subject company will outperform the broader U.S. equities markets over the next six to twelve months. **Neutral-** ZIR expects that the company will perform in line with the broader U.S. equities markets over the next six to twelve months. **Underperform-** ZIR expects the company will underperform the broader U.S. equities markets over the next six to twelve months.

No part of this report can be reprinted, republished or transmitted electronically without the prior written authorization of ZIR.