

2025 ANNUAL REPORT

# MESSAGE TO SHAREHOLDERS

A portrait of Mike O'Grady, Chairman & Chief Executive Officer of Northern Trust Corporation. He is a middle-aged man with short, light-colored hair, smiling warmly. He is wearing a dark blue suit jacket, a light blue dress shirt, and a patterned tie. The background is a blurred office setting with blue and white tones.

## MIKE O'GRADY

CHAIRMAN & CHIEF EXECUTIVE OFFICER  
NORTHERN TRUST CORPORATION

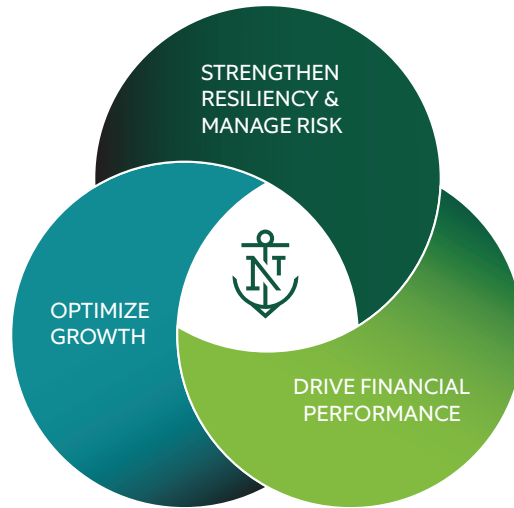
Dear Shareholders,

Macro uncertainty is the rule, not the exception—it's the global environment we operate in every day. In 2025, global markets were shaped by shifting trade and fiscal policies, persistent inflation, and evolving geopolitical tensions. Yet, against this backdrop, our results—more than simply numbers on a page—stand as a testament to the strength of our One Northern Trust strategy and the dedication and focus of our people.

As we share our 2025 Letter to Shareholders, we reflect on a year of purposeful execution, continued momentum, and an unwavering commitment to serving our clients with distinction and accelerating resilient, scalable growth.

## FINANCIAL PERFORMANCE

Our 2025 results, bolstered by favorable markets, demonstrated solid growth and improved profitability. Client assets had healthy growth, with assets under management climbing 12% over 2024 to \$1.8 trillion and assets under custody and administration rising 11% to \$18.7 trillion by year-end. While reported revenue edged down 2% to \$8.1 billion—excluding notable items, revenue increased by 7%, fueled by 6% trust fee growth and record net interest income of \$2.4 billion, up 10%. We generated positive trust fee and total operating leverage, excluding notable items, underscoring our controlled financial management and focus on value creation. Earnings per share, adjusted to exclude notable items, increased 17%, highlighting the underlying strength of our business. Capital levels remained well above regulatory requirements, and we delivered a return on average common equity of 14.4%. Reflecting our commitment to shareholder value, we returned a record high of \$1.9 billion to shareholders, including a record \$1.3 billion through share repurchases, which reduced shares outstanding by 5%.



## ONE NORTHERN TRUST

*Working together to ensure success*

Building on a year of strong financial performance—our results affirm that our One Northern Trust strategy has provided a resilient foundation and propelled our organization forward. One Northern Trust is more than a guiding philosophy; it is a disciplined framework that leverages the integration of three strategic pillars: Optimize Growth, Drive Financial Performance, and Strengthen Resiliency & Manage Risk. These pillars do not function in isolation but work in concert to ensure we remain agile, accountable, and responsive to our clients and the evolving landscape. As we continue to build on this momentum, we're pleased to highlight some of the meaningful accomplishments achieved across each pillar last year.

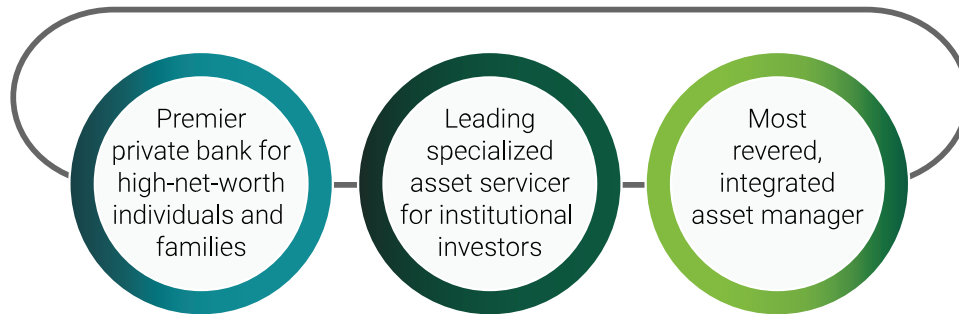
## OPTIMIZE GROWTH

*Enhancing the client experience while driving sustainable, scalable organic growth*

Beyond the complexity of the macroeconomic environment, our industry continues to evolve rapidly, driven by the adoption of AI, increased competition, and heightened client expectations, making the landscape more dynamic and demanding. To win in this environment, we are moving with greater speed and intention, ensuring that Northern Trust not only adapts but leads in areas vital to our long-term success. Importantly, we do not strive to be all things to all clients, nor do we seek to be the largest for its own sake. Instead, our growth strategy is deliberately selective—focusing on distinct client segments and offering a defined set of specialized solutions in the markets where we see the potential for leadership positions. We ground our work in tenets that compound advantage: deep expertise where it matters most; a brand defined by clarity and consistency; technology built with purpose rather than excess; and relationships strengthened by a network that works as one.

## OUR GROWTH VISION

to be the most trusted global financial partner for discerning individuals, families, and institutions by delivering human-led, AI-enhanced wealth solutions through the integration of innovation and integrity



## WEALTH MANAGEMENT

Our Wealth Management business, with assets under custody and assets under management of \$1.3 trillion and \$507 billion respectively, as of Dec. 31, 2025, is one of the largest providers of advisory services for high-net-worth individuals and families. In 2025, the franchise was fortified through targeted, high-impact initiatives aimed at accelerating client acquisition in our upper-tier segments, expanding our suite of investment solutions and strengthening our client-facing capabilities.

Our Global Family Office (GFO) business surpassed new business growth goals last year, expanding by 8% globally and 16% across international markets. To build on this success, we introduced Family Office Solutions (FOS), designed to serve ultra-high-net-worth families with over \$100 million in net worth who seek the expertise of a world-class platform without the demands of running their own office. FOS quickly outpaced its ambitious goals. By offering seamless access to integrated wealth planning, legal, tax, investment, banking, insurance, and philanthropic services—all on a single, sophisticated platform—we've lifted the burden of managing in-house teams for our clients. This innovative approach delivers a new level of scale, flexibility, and sophistication, empowering families to focus on their objectives while we handle the complexities. With these capabilities, we are uniquely positioned to serve the most complex segments of the wealth market.

Our investment solutions platform saw meaningful expansion this year to meet the needs of our clients, with alternative investments continuing to serve as a key engine of growth and innovation. In alignment with our One Northern Trust strategy, we reimagined the way our Wealth Management and Asset Management businesses work together to enable a more seamless exchange of insights and an enhanced, more cohesive set of offerings for clients. Our alternative assets fundraising was up 23% and we more than doubled the number of funds launched on our Wealth platform, giving clients access to a broad yet curated suite of opportunities across private equity, real assets, and private credit strategies. These capabilities span proprietary and third-party managers and include primary, secondary, and co-investment structures that can be constructed to meet a wide range of client-desired outcomes. In addition, we strengthened the foundations that underpin a high-quality client experience. We introduced a new proprietary pacing model—integrated into our Goals Driven Wealth

Management framework and core technology—to support robust portfolio construction conversations. Finally, we launched a dedicated client event series designed to provide qualified investors an opportunity to engage with alternative investment managers, giving them timely perspectives on markets, outlooks, and strategies.

As part of our investment in differentiated technology solutions to enhance operational efficiency and deliver superior client experiences, we advanced our AI strategy with the launch of One Wealth Assistant. This enhancement empowers our financial advisors by integrating tailored insights from our renowned Northern Trust Investment Institute™ directly into their workflows to support more efficient, informed client interactions and enable our teams to deliver high-touch service at scale.

As we turn the page to 2026, our Wealth Management business stands on the threshold of an exciting new chapter, propelled by the momentum built in 2025. To increase our reach and impact, we will continue to invest in revenue-generating talent in both the U.S. and international markets. Growth initiatives will also advance across the upper tier segments and target markets, leveraging our expanded alternatives capabilities and introducing targeted Asset Management offerings. Alongside these efforts, our commitment to ongoing modernization—including strategic digital enhancements and disciplined AI deployment—will streamline processes and create new value for both clients and employees. Together, these actions will lay the groundwork to not only accelerate growth but elevate the Wealth Management experience for our clients, empowering them to achieve their ambitions with confidence and clarity.

## ASSET MANAGEMENT

Fueled by a relentless focus on innovation, our Asset Management business delivered another strong year of growth and performance. We achieved record-breaking liquidity flows, extending our positive momentum for twelve consecutive quarters and pushing liquidity assets under management (AUM) to nearly \$340 billion by year-end. Additionally, both our alternatives and tax-advantaged equity capabilities experienced record organic growth, further reinforcing our leadership in the industry.

Product development surged, with launches doubling year-over-year—including 11 new exchange traded funds (ETFs). Some of those ETFs featured the first-of-their-kind distributing ladders. Overall, the launches broadened our offerings, grew our separately managed accounts (SMAs) fixed income suite, and introduced multiple custom solutions in alternatives. Asset Management remains committed to keeping this cadence, collaborating closely with our Wealth Management team to create distinctive client solutions. Client enthusiasm for direct indexing and customized SMAs remained strong, evidenced by nearly \$5 billion in net flows and the robust performance of our tax-advantaged equity suite. These results speak to our dedication to shaping a landscape where clients benefit from ever-expanding choices and personalized strategies, reinforcing our reputation for excellence and adaptability in an evolving market.

We elevated Michael Hunstad, a long-tenured Northern Trust employee who previously served as our Global Co-Chief Investment Officer, to the role of President of Asset Management. In addition to this key leadership transition, we strengthened our talent with the addition of several new senior leaders across the business. To further accelerate the growth of our thriving quantitative capability, we completed a successful team lift-out from APG Asset Management that brought 12 accomplished investment professionals in-house. We bolstered our talent in alternatives with critical hires to support the rapid expansion of this area.

Technology and AI are woven into the fabric of our Asset Management innovation strategy. Over the past year, we explored new horizons with AI, giving both our investment and distribution teams the opportunity to experience its potential firsthand. As we prepare for a broader rollout in the first quarter of 2026, two projects stand out: our Municipal Bond Transcription AI, designed to monitor issuer calls and distill key insights, is currently being refined through active testing. Meanwhile, the Client Action Plan will soon empower those employees serving U.S. institutional clients with greater efficiency and tailored strategies. Together, these advancements reflect our commitment to blending human expertise with intelligent technology, creating meaningful value for our clients.

We are committed to capitalizing on our core strengths by advancing our alternatives offerings and expanding distribution, with a particular emphasis on private credit, secondaries, and custom solutions—building on our record-breaking fundraising. We will continue to accelerate our pace of product innovation with a core focus on ETFs, enhancing our product shelf, and deepening connections with both wealth and institutional clients. At the same time, we will scale our tax-alpha and personalization capabilities through enhanced adviser tools, making customized solutions more efficient and accessible across all channels. Together, these strategic priorities form a cohesive vision—driving sustained positive flows, elevating client engagement, and continually strengthening our asset management solutions as we enter 2026 and beyond.

## ASSET SERVICING

Our Asset Servicing business, with assets under custody/administration and assets under custody of \$17.4 trillion and \$13.6 trillion as of Dec. 31, 2025, delivered robust results by executing a disciplined strategy focused on profitable, scalable growth. Our emphasis on leveraging core capabilities rather than bespoke solutions, broadening our presence with up-market asset owner clients, and expanding our capital markets and banking penetration enabled us to deliver organic growth and increase pretax margins by nearly 400 basis points.

Building on our proven strengths, our asset owner strategy delivered exceptional results on a global scale in 2025. We secured new mandates from sophisticated clients—including pensions, sovereigns, endowments, and leading institutions across the globe—demonstrating our ability to capture complex, multiproduct opportunities. This included appointments by the State of New Mexico Educational Retirement Board, Australian life insurance company Generation Life, and the Dutch pension fund BPF Beton, for a range of asset servicing solutions.

Central to this momentum, our industry-leading, cloud-based platform specializing in alternative asset lifecycle management, Front Office Solutions, now supports more than \$1 trillion in assets for clients globally and continues to set us apart, consistently serving as a key differentiator that empowers clients to achieve greater transparency, efficiency, and performance.

Global Capital Markets and Banking delivered strong performance in 2025, highlighted by substantial deposit growth, strategic capital markets activity, and the addition of 45 new client relationships. The business maintained multi-year growth across core product lines, with consistent fee generation and revenue diversification. By adopting the One Northern Trust approach, all liquidity solutions were unified, optimizing pricing and deposit balances, and supporting robust net interest income growth of approximately 10%. Our outsourced trading solutions saw notable traction in Europe, Middle East, and Africa (EMEA) adding double-digit new clients, while our unified operating model—combining fund administration, custody, and trading—proved decisive in competitive requests for proposals (RFPs).

Private Markets were another highlight. Our leadership in the UK alternatives market was further cemented as the largest provider of fund accounting, custody, and depositary services, now supporting over 23% of all authorized funds by assets under management. Our appointment by Gravis Advisory, a UK-based asset manager specializing in infrastructure, real estate, and private credit investments, for fund administration, global custody, depositary, transfer agency and outsourced trading emphasizes the strength of our full-service, front-to-back capabilities.

We are building on this strong foundation by targeting select geographies and enhancing our offerings for scalable growth. Key initiatives include extending our successful U.S. banking franchise to Europe, strengthening ETF servicing in the U.S. as client demand grows, and advancing our digital asset capabilities.

As announced, Teresa Parker, former president of Asset Servicing, is retiring in the first quarter of 2026, leaving behind a legacy defined by steadfast leadership, remarkable industry expertise, and unwavering dedication. Teresa is succeeded by Co-Presidents Clive Bellows and Guy Gibson, two leaders whose complementary strengths in client delivery, markets, and banking are poised to guide Asset Servicing into its next era. With a clear focus, targeted product expansion and solid tailwinds, the team enters 2026 with a clear path to deliver differentiated solutions to both asset managers and asset owners and accelerate profitable growth.

## **DRIVE FINANCIAL PERFORMANCE**

### *Generating continuous productivity to improve profitability and fund investment in growth*

In 2025, we undertook a comprehensive transformation to enhance and scale our operations, reinforcing our commitment to client-centricity and operational excellence. At the heart of this effort was the development of our client-centric capability operating model—which brings consistency and cohesion to the way we work across Northern Trust. By standardizing our most critical processes, we not only improved efficiency but also fostered a culture of accountability and empowerment.

A striking example of this evolution can be found within our Chief Operating Officer’s organization—which accounts for more than half of our workforce. Through deliberate organizational design, we increased managerial spans of control by over 35% and reduced management layers by more than 20%. These changes didn’t just flatten our hierarchy; they unlocked agility, fostered deeper collaboration, and allowed us to respond more quickly and effectively to the evolving needs of our clients and the market.

Our journey wasn’t just about structural change—it was about creating tangible value. The accelerated deployment of AI, including use of our proprietary NT Byron platform, is transforming how we work. Tasks that once required countless manual hours, such as document ingestion and reconciliation, are now being managed seamlessly and efficiently through digitization and process optimization. These advancements have not only accelerated workflows but also improved accuracy and scalability, empowering our teams to focus on higher-value activities. This shift delivered meaningful efficiency gains, contributing to total productivity savings that represented more than 4% of our expense base last year. We strategically reinvested these savings into growth and resiliency initiatives, further strengthening our foundation and positioning us for long-term success.

Reflecting our commitment to stronger financial performance, we are elevating two of our three medium-term targets— pretax margin from >30% to 33% and return on equity from 13%-15% to mid-teens. Our productivity

target will also increase meaningfully in 2026, driven by the continued maturation of these initiatives, further organizational streamlining, and an even broader deployment of AI capabilities. These efforts are not just about cost savings—they reflect our belief in building a more resilient, innovative, and client-focused organization, ready to capture new opportunities and deliver exceptional value for all of our stakeholders.

## **STRENGTHEN RESILIENCY & MANAGE RISK**

### *Sustaining robust enterprise risk management by maintaining strong controls and technology infrastructure*

At Northern Trust, our reputation for strength and stability is built on a foundation of exceptional risk management and robust controls—these are not just hallmarks of our brand but essential elements of our corporate DNA. We continually invest in and elevate these critical measures because we understand that true resiliency is what gives our clients peace of mind, knowing their assets are protected and their interests are secure. This unwavering commitment to resiliency is vital to our ability to fulfill our vision of becoming a consistently high-performing company.

Over the past few years, we have made significant investments in four core technology areas—cybersecurity and risk management, modernization, innovation, and operational efficiency. These efforts not only future-proof our company but also improve reliability, speed, and quality for our clients.

Looking ahead, we remain dedicated to fully integrating these advancements into our daily operations. By fortifying our risk and control environment, we deliver on our mission to be our clients' most trusted financial partner, guarding and growing their assets as if they were our own. Resiliency is not just a goal—it is the backbone of our ability to adapt, thrive, and deliver exceptional value in an ever-changing world.

## **CLOSING**

As I close, I want to take this opportunity to express my deepest gratitude to former board member Linda Bynoe for her extraordinary and longstanding service to our board from 2006 to 2025. Her wisdom, steadfast guidance, and unwavering support have left an indelible mark on our company and on me personally.

My appreciation goes out to our clients for your enduring trust and partnership—it is the cornerstone of everything we do. I also appreciate our shareholders, whose confidence empowers our continued growth, and our employees, whose commitment and expertise drive our success.

2025 was defined by purposeful transformation and an ongoing commitment to deliver greater value for all our stakeholders. We advanced our strategy to deliver improved organic growth, drive stronger financial performance, and fortify our risk management and operational controls. These actions have laid a strong foundation for sustainable growth and enduring leadership in an evolving marketplace. As we look ahead, our focus remains clear: deliver strong financial performance, accelerate growth, and position our company to serve our clients' needs now and into the future.

### **Mike O'Grady**

Chairman & Chief Executive Officer  
Northern Trust Corporation